



AGENDA
RIO DELL CITY COUNCIL
CLOSED SESSION – 5:30 P.M.
REGULAR MEETING – 6:30 P.M.
TUESDAY, NOVEMBER 17, 2015
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE, RIO DELL

ORIGINAL

WELCOME . . . By your presence in the City Council Chambers, you are participating in the process of representative government. Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

THE TYPE OF COUNCIL BUSINESS IS IDENTIFIED IMMEDIATELY AFTER EACH TITLE IN BOLD CAPITAL LETTERS

A. CALL TO ORDER

B. ROLL CALL

C. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION AS FOLLOWS:

- 1) 2015/1117.01 - **Conference with Labor Negotiator – City Manager**
Concerning Labor Negotiations with Rio Dell Employees Association,
Rio Dell Police Officers Association, and Contract Employees
(Pursuant to Gov't Code Section 54957.6)

D. PUBLIC COMMENT REGARDING CLOSED SESSION

E. RECESS INTO CLOSED SESSION

F. RECONVENUE INTO OPEN SESSION – 6:30 P.M.

G. ORAL ANNOUNCEMENTS

H. PLEDGE OF ALLEGIANCE

I. CEREMONIAL MATTERS

J. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not intended. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3rds of the Councilmembers present that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

K. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Council members if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually in the next section, "SPECIAL CALL ITEMS".

- 1) 2015/1117.02 - Approve Minutes of the November 3, 2015 Regular Meeting (**ACTION**)

L. ITEMS REMOVED FROM THE CONSENT CALENDAR

M. SPECIAL PRESENTATIONS/STUDY SESSIONS

- 1) 2015/11107.03- Presentation from Keenan & Associates/Discussion and Possible Action to Adopt Resolution No. 1277-2015 Authorizing Participation in the Public Agency Coalition Enterprise Joint Powers Agreement Related to Employee Health Benefits (**DISCUSSION/POSSIBLE ACTION**)
- 2) 2015/1117.04 - Presentation from Eel River Disposal on Solid Waste and Recycling Franchise Agreement and current operations (**RECEIVE & FILE**)
- 3) 2015/1117.05 - Presentation from Redwood Coast Energy Authority Approve Resolution No. 1279-2015 amending and restating Joint Powers Agreement of the Redwood Coast Energy Authority (**ACTION**)

N. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

- 1) 2015/1117.06 - Contribution of Transient Occupancy Tax (TOT) to the Rio Dell/Scotia Chamber of Commerce (**DISCUSSION/POSSIBLE ACTION**)

O. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

- 1) 2015/1117.07 - Approve Resolution No. 1278-2015 approving designation of Brook Woodcox, Finance Director as the official representative and Karen Dunham, City Clerk alternate representative to the PACE JPA Board of Directors (**ACTION**)
- 2) 2015/1117.08 - Second reading (by title only) and adoption of Ordinance No. 339-2015 amending Section 2.60.030(4) of the Rio Dell Municipal Code (RDMC) changing the Planning Commission's regular meeting day from the fourth Thursday to the fourth Tuesday of the month (**DISCUSSION/POSSIBLE ACTION**)
- 3) 2015/1117.09 - Second reading (by title only) and adoption of Ordinance No. 340-2015 amending the "Definitions" provisions Chapter 17 of the Rio Dell Municipal Code (RDMC) to amend or eliminate some existing definitions and include additional definitions (**DISCUSSION/POSSIBLE ACTION**)
- 4) 2015/1117.10- Second reading (by title only) and adoption of Ordinance No. 341-2015 amending Section 5.30.520(2)(a) of the Rio Dell Municipal Code (RDMC) related to the PEG fee paid by cable operator to support public access television (**DISCUSSION/POSSIBLE ACTION**)

P. REPORTS/STAFF COMMUNICATIONS

1. City Manager
2. Chief of Police
3. Finance Director – Check Register for September and October 2015
4. Community Development Director

Q. COUNCIL REPORTS/COMMUNICATIONS

R. ADJOURNMENT

*The next regular meeting will be on December 1, 2015
at 6:30 p.m. in City Hall Council Chambers*

**RIO DELL CITY COUNCIL
REGULAR MEETING
NOVEMBER 3, 2015
MINUTES**

The regular meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Wilson.

ROLL CALL: Present: Mayor Wilson, Mayor Pro Tem Johnson, Councilmembers Garnes, Marks and Thompson

Others Present: City Manager Knopp, Finance Director Woodcox, Chief of Police Hill, Water/Roadways Superintendent Jensen, Wastewater Superintendent Chicora and City Clerk Dunham

Absent: Community Development Director Caldwell

CEREMONIAL MATTERS

Swearing in of (2) new Police Officers: Jordan Walstrom and Evie Valk; and (1) new Planning Commissioner: Julie Woodall

Chief of Police Hill introduced Jordan Walstrom and Evie Valk and said he was very proud to have these officers on board and that he couldn't have asked for better candidates.

City Clerk Dunham administered the Oath of Allegiance and their badges were pinned on by family members.

City Clerk Dunham reported that Julie Woodall was unavailable and would be sworn in to the Planning Commission at a later date.

PUBLIC PRESENTATIONS

Nick Angeloff briefly addressed the Council and reminded everyone that it was election night and encouraged everyone to get out and vote. He said there were several items on the agenda involving the Chamber of Commerce and as President, the Council was aware of his opinion on the matters and excused himself from the meeting.

Sheldon Norberg addressed the Council regarding the potential legalization of the cannabis industry and said as the Council is aware, the State of California has taken action to basically "bring it out of the trees around us" and into the legitimized nature to which it belongs. He said Rio Dell may not have a long-term interest in cannabis but it does present certain opportunities through the industry that will provide taxes and jobs in the community without dispensing or growing cannabis in the City. He said there are a variety of licenses now being structured by the State of California which Rio Dell could set up as an independent City and benefit from. He stated that he would be happy to discuss the issue further with the Council at any point and help craft legislation to allow Rio Dell to become part of the new economy.

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Jamra Kan (Emerald Genetics) also addressed the Council on the subject and said he also works with Mr. Norberg and is of the opinion that Rio Dell could take advantage of certain opportunities that are presented regarding the cannabis industry moving forward. He said one of the projects that he is currently involved with is putting on the Humboldt County Cup that is taking place on November 21st at Redwood Acres. He extended personal invitations to the Council and offered to provide tickets for the event. He noted that there will be cannabis specific businesses there and collectives that are farming as well as all the peripheral industries such as soil companies, trimming machine companies and environmental engineers; basically the whole gambit that has been assisting the economy in Humboldt County since the decline of the logging and fishing industry.

Dean Glaser stated that it is an important day; that being Election Day and said some take it for granted, some people ignore it and some people have come to our country to have that right. He said because people take it for granted, they should never be complacent. He said Charles Ellebrecht who is running for Fortuna High School Board of Trustees and Nick Angeloff who is running for Harbor District both lives in Rio Dell and they need people to go to the polls and vote.

He also invited everyone to attend an event put on by the Fortuna Senior Services on Veteran's Day at the Veteran's Memorial Building in Fortuna and said there will be a memorial at 2:00 p.m. for all of the Coast Guard members who lost their lives and recognizing all veterans as well.

CONSENT CALENDAR

Councilmember Johnson asked that Item 1, *Minutes of the October 20, 2015 Regular Meeting* be removed from the consent calendar for separate action.

Motion was made by Thompson/Garnes to approve the consent calendar including approval of Resolution No. 1275-2015 amending the FY 2015-2016 Operating Budget for Rio Dell/Scotia Chamber of Commerce Christmas Event Contribution of \$200.00; and approval of Resolution No. 1276-2015 Providing Workers' Compensation coverage for City volunteers. Motion carried 5-0.

ITEMS REMOVED FROM THE CONSENT CALENDAR

Approval of Minutes of the October 20, 2015 Regular Meeting

Councilmember Johnson stated that he had no problems with the minutes but removed them from the consent calendar so that he could abstain from voting since he was not present at the meeting.

City Clerk Dunham stated for clarification that councilmembers are not required to abstain from voting on minutes of meetings when they are not in attendance.

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Motion was made by Garnes/Marks to approve the minutes of the October 20, 2015 regular meeting. Motion carried 4-0; 1 abstention.

Mayor Wilson announced a change in the order of the agenda and said Item 2015/1103.09 would be addressed at this time.

Conduct Public Hearing on Unmet Transit Needs and direct staff to send a letter to Humboldt County Association of Governments (HCAOG) relaying the comments made during the public hearing

City Manager Knopp provided a brief staff report and said each year the Humboldt County Association of Governments (HCAOG), as the Regional Transportation Planning Agency (RTPA) conducts a citizen participation process to assess unmet transit needs within Humboldt County. He said this process helps HCAOG properly apply funds provided by the Transportation Development Act (TDA). In addition to the County unmet transit needs hearing, HCAOG recommends each entity conduct a separate hearing to receive comments specific to their jurisdiction. Any comments received are then sent to HCAOG and included in the Unmet Transit Needs Report of Findings. He noted that provided there are no unmet transit needs identified, all of the funds will be allocated for street improvements.

A public hearing was opened at 6:39 p.m. to receive public comment on unmet transit needs.

A gentleman from the Social Services Advisory Committee was present representing HCAOG and thanked the Council for moving the item up on the agenda. He stated that the public hearings are a very important part of the process in identifying unmet transit needs. He said often times people don't see things happening as quickly as they would like but the more comments that are made; the better chance there is of meeting those unmet needs. He added that he has been involved in the process for 15 years and has seen a lot of new routes added as a result of comments received from the public.

Margie Plant thanked the Council and addressed the Council about an unmet transit need. She said she lives in Pepperwood and falls under the new route that was added from Garberville/Redway north. She said she teaches in Fortuna and would very much like to ride the transit bus to work at least 2 or 3 times a week. She said the last stop coming north from Garberville is the Redcrest off-ramp and if it could go one stop north and stop at the south Pepperwood exit, she could walk from her house. As it is now she has to either drive 4 miles south to Redcrest or 7 miles north to Scotia to catch the bus so it kind of defeats the purpose of saving fuel and reducing gas emissions. She reiterated that she would really like to ride the bus to school and model that for her students. She added that she used to ride her bike on the highway but because of a couple of close calls of almost getting hit by a vehicle, her husband is against it. She said she could make the current route work as far as timing but there are no stops on that route until Eureka. She said if it could stop somewhere near Ambrosini School, perhaps on Rohnerville Road or near Redwood Memorial Hospital that would be good.

She commented that coming home there is the same problem in that there are a lot of places to catch the bus but no stops south until Garberville.

The gentleman representing HCAOG said he would pass her comments on to HCAOG.

Dean Glaser stated that he was an HTA board member for over 12 years and saw some very positive changes over the past 2 years as far as the inner-city small buses rather than just having the regular bus traveling from Fortuna area southward. He said there has been a miss-conception by the public over the years that when one person comes forward that the entire system is going to change for their benefit. He explained HTA works for the most efficient and logical usage of the routes to pick up the most people; not change because of one persons passion to be picked up. He said Greg Pruitt and his staff are dedicated to being as efficient as possible while meeting the public needs. He suggested that anyone writing a letter to HCAOG should keep in mind that realistically there needs to be other people writing to them with the same need because changing the system for one person is probably not going to happen. He encouraged the public to be open-minded and patient when addressing an unmet transit need.

There being no further public comment, the public hearing closed.

SPECIAL PRESENTATIONS/STUDY SESSIONS

Presentation and Project Update from the City's Engineer, GHD Engineering

City Manager Knopp provided a staff report and said the City Engineer, GHD is here to talk about some of the City's current projects and as the Council is aware, the major topic is the Metropolitan Wells Project for a backup water supply for the City.

He turned the discussion over to Rebecca Crow and Steve McHaney from GHD to provide a project update.

Rebecca said as the Council is aware, Jesse Willor, the City's primary engineer left GHD so she and Steve McHaney will be taking over as the City's engineers. She said Steve was the City's engineer in 1995 and she did some work in 2001 and they are happy to have the opportunity to be back. She said she has been working closely with Jesse Willor on the City's projects and is excited to be able to follow through with the projects.

She said they wanted to give brief updates on three projects: the Active Transportation Plan (ATP) grant; talk a little bit about the direction for water resiliency and the planning for future water projects; and then Steve will be talking in more detail about the status of the Metropolitan Wells Project.

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start of the fiscal year, there will be some coordination with Caltrans and anticipates submittal of the CTC allocation request around May 2016, followed in July with the preliminary approval and environmental document phase and getting out the Request for Qualifications (RFQ) for that phase of the project. She noted that the plan is to select a consultant around September 2016 for completion of the preliminary approval and environment document phase around May 2017.

The next project she touched on was the City's Water Distribution System and Storage and said this is one of the City's priorities so they will be looking at scoping that project and exploring funding options. She said they will wait for the outcome of the water rate analysis then go back to the State for potential funding; if not successful they will look elsewhere. She pointed out that GHD is not just moving forward with the City's current projects but also keeping in line with future projects as well.

Steve McHaney then addressed the Council and said that it's really good to be back before the Council. As Rebecca mentioned, he started as the City's engineer in 1995 and served in that role for almost 15 years. He said he spent a lot of time in front of the Council and got to know the Water and Wastewater Superintendents (Randy and Rick) very well as well as many Council members over the years. He said when Merritt Perry took over as the City's primary engineer, he provided support to him and one of the projects they both worked on long ago was the City's water supply and said he is glad to see the City moving forward with the Metropolitan Wells Project because it is a really valuable asset of the City. He said just to provide context, when the City went to the water intake system, the intent was not to give up the wells but to solve the water needs of the City at the time. He noted that the wells are good to have as an alternative water supply and went on to review four major components of the project as:

- 1) The overall breakdown of the project budget
- 2) Potential project funding sources
- 3) The anticipated schedule
- 4) Strategies for managing the actual bid costs and available funds

He then reviewed the overall breakdown of the project budget and identified \$38,500 for administrative costs; \$25,000 for facility planning; \$800,000 for construction; \$82,000 for design; \$107,700 for construction administration; and \$160,000 for contingency.

He said the contingency is an important component that they will be revisiting as it gets closer to the bidding phase. He stated that contingency is basically for issues that may be encountered during the construction process but you need to be careful not to spend the contingency too soon and often times the money is held close so as construction goes on there may be enough left in the contingency to do some of the items on the wish list.

Moving on to where the \$1,213,200 for the project is coming from, he said the City was successful in securing a Department of Water Resources (DWR)/NCRP Prop 84 grant for \$783,000; and a USDA RUS ECWAG grant for \$373,000 which leaves the City's contribution at

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\$57,000. He pointed out that the City's contribution is less than 5% of the total project cost and in today's day-in-age it is amazing that the City has done so well to be able to fund a project like this with 95% of the cost grant funded. He said there have been a lot times where cities are having to pony up all of the money and what this does is allows the City to make a much more reliable water source for the citizens of Rio Dell and at the same time really managing the monthly costs the rate payers will have to pay. He said he wanted to give a lot of credit to the City and the City Council for not only the planning but the way they are managing it.

He said the project has taken a while to get it moving forward but a lot of the credit for getting it this far goes to Rebecca as she is an expert in dealing with funding and managed to get the DWR grant funds obligated back in September.

He then talked a little bit about what they think the schedule is going to look like and commented that the schedule is not driven by a hard deadline so they want to drive it by what's best for the City's budget.

He said from the design standpoint, they want to have the 60% design plans to the City for review by the end of November and said there are some critical items that still need to be worked out with staff. He reported the final design and bid documents are expected to be complete by January, 2016, followed by the bidding in February and construction to begin in April with the completion by September, 2016.

He noted that putting the project out to bid after the first of the year is good as work is typically slow for contractors then. He said the amount of work on the ground isn't necessarily going to take a lot of time but there is some specialized equipment in the treatment plant, some of which takes time to get because the equipment is custom built.

He said the last thing, and one of the most important is what they are doing for managing big costs and available funds. He noted the first thing to understand is that actual contractor bids will be different than anyone's planning estimate. He said no one controls the contractor's bids and many factors affect how they put their numbers together such as the time of year, how busy they are, and how the economy is doing at the time. He commented that he has had jobs come in with bids anywhere from 1% to 30% between the low bid and the high bid with the engineer's estimate somewhere in between.

He pointed out that the focus should be on the purpose of the project which is drought preparedness and the need to have a system that can be readily be put online in an emergency. He also said the project provides a foundation for future potential enhancements.

Councilmember Johnson asked if there was anything that would preclude them from being able to be on schedule with the February date for the bid opening.

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Steve responded that he can't foresee anything at this point in time and said he believes the funding is in place.

Rebecca confirmed that there are signed contracts with DWR and firm commitment with regard to the USDA ECWAG grant so the only thing she could see is perhaps there may be some administrative conditions with the ECWAG grant that could cause a slight delay in the project.

Councilmember Johnson asked if they were looking at a 100-120 working day contract.

Steve responded that is the rough estimate as far as the schedule but they will have to look at it relative to what the equipment lead time will be so they will need to get some feedback from the manufacturers to see how long it will take to make some of the equipment but 8-12 weeks could be an equipment lead time.

Mayor Wilson called for public comment.

Melissa Marks asked if there will be an outside party looking at the plans to make sure nothing is missed.

Councilmember Johnson commented that it is not unusual to do that.

Steve stated that they could certainly do that but that they do have their own third party review done by GHD staff that is not involved with the project although there have been occasions where they have relied on an outside party to review project plans. He said the issue can be left open as an option.

Presentation from Whitchurch Engineering on Belleview/Ogle Drainage Study

City Manager Knopp provided a staff report and said Darren Tolley was present from Whitchurch Engineering to discuss the Belleview/Ogle Drainage project and the work they have been doing on that project.

He said Community Development Director, Kevin Caldwell who has been the lead on this project had a family emergency and was unable to be here. He said the project is still very much in its early stages and staff and Council still needs to look at the overall realistic financing plan to move the project beyond just getting it shovel ready which could be a variety of options. He commented that it seems that this project has been at this same stage in the past and the key now is obviously moving it into action but there is still a lot of work to be done in order to do that. He noted that as of now, no General Fund dollars have been committed.

Darren Tolley, Engineering Manager of Whitchurch Engineering thanked the Council for the opportunity to work on the City's stormwater conveyance system to help with the Belleview/Ogle flooding issues that have been occurring over the years.

He provided an overview of the drawings as presented including 30% design drawings, 70% design drawings (Hydrology Study), and cost estimates associated with fundamental features of the project per the 70% design.

He said there is a watershed that drives past Ogle Ave. and basically ends up in a bowl that has been created and through topography and bringing in a model of what would flood with just the water settling there and ended up with a pattern. He said they started off by taking 100 years of hourly stormwater data and created their own 10-year return period.

He provided a table showing essentially 32 distinct watersheds that contribute to the flooding.

He also reviewed data related to 100 years of storm water data using the TR-55 from the Natural Resources Conservation Service which is used consistently throughout the industry to model essentially what the City has with regard to runoff. He added that they compiled a lot of data to show where pipes were overflowing and where they weren't and compiled that data and put that data into maps and ended up with the areas of localized flooding within City right-of-ways as shown. He said with this data, the use of topography, and walking the neighborhood, they developed their own alternatives for a probable solution.

He further stated that they actually did an activity matrix and looked at complete road reconstruction including curb, gutter and sidewalk which would be extremely expensive but a viable option, all the way to essentially putting in a sump pump to pump out the areas with flooding.

He explained that the plan is to take one-half of the water flow that is currently going through the existing 54 inch storm drain system and take it to the City owned parcel on Belleview Ave. and put in a new pipe and a new ditch to get the water flowing toward the Eel River and essentially keep it from crossing the road any further and flooding out neighbors.

The project was broken up into two phases. The first involves cleaning out a new channel, putting in a new pipe on the City's parcel, installing about five new drainage inlets and acquiring easements from a couple of property owners. He said this will alleviate a good portion of the flooding however; is not going to solve the entire problem which is why Phase 2 is necessary.

Darren explained that Phase 2 includes adding in more pipes and drainage inlets, to bypass the easement area that is very difficult to maintain and has failed, and to reconnect to the existing pipe crossing which will alleviate about on-half of the water flow in that area. Also, the plan will be to redirect storm water to the appropriate inlets in attempt to capture the water running off the hill into drainage inlets before it gets to the road and starts flooding.

Councilmember Thompson commented that there is a new drain system that goes to the church at Belleview Ave. and River St. and asked why they are proposing to spend money to change it when it works well and takes in an immense amount of water.

Darren explained that they are not looking at changing it so much as to redirect it so the water is not cutting straight across.

He said they are also proposing to abandon one easement and give it back to the property owners if they will agree to maintain it; otherwise the City will have difficulty trying to access the area to maintain it.

Mayor Wilson asked if the drop inlet will also be abandoned.

Darren responded that they will clean it up and let the property owners still use it.

Councilmember Johnson asked how many feet per second the flow is at the two crossings on Belleview Ave.

Darren commented that he didn't have the data with him but would provide it at a later time.

Councilmember Johnson also asked how the TR-55 formula compares to the old rationale formulas he learned 50 years ago.

Darren explained the TR-55 basically gives a better estimate of what you are seeing but does still equal to the $Q=CIA$ and that formula is used on a portion of the spreadsheet presented.

Councilmember Johnson said if they were going to assign a 'C' in that formula, what kind of numbers they were looking at for hillside then developed areas.

Darren estimated a .1 or .2 for hillsides and a .65 or .75 for urban areas.

Councilmember Johnson said when he was a hydraulics engineer for Caltrans 30 years ago, in the wooded areas and pasture lands they used about a .3 so they are talking about almost three times as much flow than what he designed it for.

Darren said he will verify the numbers to make sure they are correct.

He said overall the proposed system is expected to reduce flooding by about 90% and if the City was able to replace the roads and insure those positive drains, the flooding would definitely be reduced by 100%. He noted that adding asphalt curbs and swales and valley gutters will be an economical improvement for the area.

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Next was review of the engineering estimates at 70% design and for Phase 1 the estimate was \$161,000 and Phase 2 was \$231,000.

In conclusion he said this is the design that Whitchurch Engineering came up with and they are certain that it will alleviate a lot of the flooding problems in the Belleview/Ogle neighborhoods.

Paul Hoffman, 245 Belleview Ave. questioned the size of the proposed drainage pipe and whether a 24 inch pipe is large enough. He referred to the picture presented showing flooding and said it really doesn't show the real problems and that his property floods much worse than what is shown. He commented that he would hate to see the City spend all this money and still have his property flood.

Darren explained when they run the numbers to size the pipe they add about 30% so he feels very confident that the 24 inch pipe will be adequate.

Water/Roadways Superintendent Jensen said to take into consideration that the water can't escape so the accumulation of water will be standing and ponding.

Darren explained that when the 54 inch pipe is full and flowing everything else is backing up so essentially what they will be doing is taking one-half of the flow away from that pipe and moving it to the other side.

Councilmember Johnson asked if the designation of Phase 1 and Phase 2 is driven by the City's funding.

Darren said the request was to look at ways to mitigate some of the flooding right away then fix the rest later.

Paul Hoffman said he liked the plan for Phase 1 and felt it would alleviate some of the flooding to his property. He asked for the plan as to when the project might get started.

Mayor Wilson stated that one of the big issues is that the City has money to pay for the study to get the project "shovel ready" and now has to pursue grant funding for the actual construction.

City Manager Knopp interjected that there is still a lot of work that has to be done to find and identify grant dollars and said there may be the need to form a Benefit Assessment District to come up with enough money to provide a grant match or pay for at least a portion of the costs to do the project. He said one of the things the engineer has done that is really positive is breaking the project into phases and coming up with a realistic plan that is achievable to actually get "boots on the ground and shovels in the dirt" to get some of the drainage issues solved.

Mayor Wilson commented that the staff report indicates that there have been three other studies related to the same issue.

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City Manager Knopp said in this particular case, no general fund dollars were spent and grants paid for the studies. He said technology has changed since the previous studies were done as well as the neighborhood itself with additional development so the plans need to be updated, especially if the City pursues outside funding. He noted that the City Council did set aside money in the current budget to use toward moving the project forward and is a priority project. He said this project has been on the radar for quite some time and the Council does want to see it move forward.

Councilmember Garnes asked what fund or funds the City's match would come out of should the project move forward and grant funds are pursued.

City Manager Knopp said the City has \$45,000 set aside to move the project to completion (beyond the 70%) and how the project is to be financed beyond that is unknown. He said because it is a much localized benefit for a specific neighborhood it is likely there will need to be a neighborhood contribution for it to be successful. He said as far as grant funding, there may be Prop 1 dollars available but need to do a lot of additional research to come up with a solid plan.

The Council continued with questions on concentration for the various water sheds and maintenance issues with regard to the sediment caused by the water runoff from the hillside.

City Manager Knopp said this underscores part of the need for some of the needed technology talked about which includes a more reliable vacuor truck to help clean out the gutter systems and said even with reliable equipment it will take a lot of man hours to maintain the system.

Councilmember Thompson asked that as things progress and costs are developed that a specific plan is developed that the Council can buy into that when the pipes are put in, the area won't continue to flood.

Darren stated that there are expensive modules such as Vortex systems that remove sediment and agreed that maintenance will be an issue.

Councilmember Johnson noted that there are several upslope properties and asked if there is anything that will preclude those property owners from logging.

City Manager Knopp said as far as he knows they would have the right to engage in logging activities and it would have an impact on the amount of sediment running off the hillside.

Melissa Marks questioned the I & I problems and said her understanding was that part of the reason for identifying the project as a priority was to alleviate some of the I & I.

Dean Glaser stated that it is always nice to price down a project in order to come up with an amount acceptable for the City to achieve but in a scenario such as this, you never know what Mother Nature will bring and advised the Council to plan for the unknown. He said in 2002, we

ended up having a 500 year event and so he is always an advocate for over-kill rather than under sizing pipes. He recommended the Council get Whitchurch Engineering to come back with an estimate to increase the pipe to 36 inch as opposed to the 24 inch pipe as proposed. He said citizens expect the Council to do the right thing the first time and when you cut corners to save money it usually comes back to bite you. He agreed with the formation of an assessment district as it is problematic to have all citizens pay for improvements to one specific neighborhood.

Councilmember Marks asked if there is any way to conduct a field trip so the Council can look at the area on the ground.

City Manager Knopp indicated that it can be arranged.

Presentation from JLM Energy regarding Solar and Wind Power for the City's Wastewater and Water Treatment Facilities

Wastewater Superintendent Chicora provided a brief staff report and said he was approached regarding the possibility of providing solar and wind power to the City's Wastewater and Water Facilities and after researching the local area was forwarded to JLM Energy. He said this is the same company that is installing the solar and wind turbines at Bear River Casino and after talking with them and explaining what the City would like to do, they came and did a site survey and an energy audit and came up with a plan to reduce energy usage at the plant.

He then introduced Tony Holtz and Juan Petrenko from JLM Energy to provide a presentation on their findings from the energy audit and site survey.

Juan Petrenko began by stating that the motto of JLM Energy is "Declare your energy independence" which is what they strive for with each of their customers. He explained a little bit about their company and Zefr turbines which he said are the only wind turbines of their size with a self-preservation mode. He noted that all of their system components are put together at their facility in Rocklin, CA and they just completed a project at Intel Communications at their global headquarters in Santa Clara to power their visitor center.

Tony Holtz then reviewed the PG&E data from 2009-2015 for the water and wastewater facilities including historical rates and the demand charge breakdown per kilowatt for the various peak periods. He explained that the maximum peak charge is applied to the single highest power reading at any time during the month in addition to the time-based charges.

He continued with a description of the proposed solar and wind power system for the wastewater and water facilities and identified the 79.04 Kw PV systems for the treatment plant and a 2.08 Kw PV system for the Metropolitan site with four to seven wind turbines.

The estimated savings for the first year was estimated at \$22,326 for the treatment plant and \$545 for the Metropolitan site. The estimated savings including 81 Kw of solar, turbines and energy storage was estimated at \$12,273,687 over 25 years.

Mayor Wilson asked if the system would need to be purchased outright or if financing options were available.

The response was that either option is available and that there are also State rebates available.

Next was review of the financing cash flow including the energy savings by year, payments, annual cash flow and total cash flow.

Presentation from Food for People regarding services provided in Rio Dell

City Manager Knopp stated that the person that was to provide the presentation was in attendance at the beginning of the meeting but had to leave and asked that he convey to the Council that the Food for People program provided food to almost 2,500 individuals and 764 households in the community of Rio Dell which is equal vent to \$20,000 lbs. of food over the past year.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Contribution of Transient Occupancy Tax (TOT) to the Rio Dell/Scotia Chamber of Commerce
Finance Director Woodcox provided a staff report and said at the last meeting Nick Angeloff, Rio Dell/Scotia Chamber of Commerce President, asked for Council's consideration of contributing a percentage of the City's Transient Occupancy Tax (TOT) revenue to assist the Chamber in carrying out normal business activities. She said the City has provided contributions in the past anywhere from a single annual contribution of \$500 to 10% of the annual TOT revenue. She stated that the City's total annual TOT revenue averages around \$11,000.

She said the contributions to the Chamber were discontinued in 2010 when the Council agreed to continue to provide the 10% contribution with the stipulation that the Chamber provides financial/treasurer reports and they withdrew their request.

She further reported that in July, 2013 the Chamber requested a 25% cash match contribution for a Headwaters Grant which the City Council approved. With that amount and the TOT contributions, the total contributions to the Chamber of Commerce from 2006 to present total \$8,266.93.

Included was a timeline of contributions to the Chamber and City Council minutes from 2006 to 2013 approving the various contributions.

Finance Director Woodcox pointed out that TOT revenue goes to the General Fund to support General Fund activities.

Mayor Wilson stated without representation from the Chamber present, he recommended the Council receive and file the report and defer action to provide them the opportunity to present their plea.

Councilmember Johnson asked if the Chamber was prepared to provide financials.

Melissa Marks commented that she thought the stipulation of the Headwaters Grant was that the Chamber would provide financial reports to the Council on a quarterly basis.

The consensus of the Council was to defer action as suggested.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Introduction and first reading (by title only) of Ordinance No. 339-2015 amending Section 2.60.030(4) of the Rio Dell Municipal Code (RDMC) changing the Planning Commission's regular meeting day from the fourth Thursday to the fourth Tuesday of the month

City Manager Knopp provided a brief staff report in the absence of the Community Development Director and said that staff informed the Planning Commission at their meeting on September 24, 2015 that Julie Woodall was considering making application for the vacant Planning Commission position. Due to her work schedule she would not be able to attend Thursday night meetings so the Planning Commission recommended changing the meeting date to the fourth Tuesday of the month to accommodate her schedule should she be appointed to the Commission.

A public hearing was opened to receive public comment on the proposed ordinance.

There being no public comment, the public hearing closed.

Motion was made by Johnson/Garnes to introduce and conduct the first reading (by title only) of Ordinance No. 339-2015 amending Section 2.60.030(4) of the Rio Dell Municipal Code changing the Planning Commission's monthly regular meeting day from the fourth Thursday to the fourth Tuesday of the month and to continue consideration, approval and adoption of the proposed Ordinance to the meeting of November 17, 2015 for the second reading and adoption. Motion carried 5-0.

Introduction and first reading (by title only) of Ordinance No. 340-2015 amending the "Definitions" provisions Chapter 17 of the Rio Dell Municipal Code (RDMC) to amend or eliminate some existing definitions and includes additional definitions

Finance Director Woodcox provided a brief staff report in the absence of Community Development Director Caldwell and said as the Council is aware a number of new or modified use types were identified as part of the recently completed Land Use Matrix. Staff and the Planning Commission is recommending that the existing Definitions found in Chapter 17 of the Rio Dell Municipal Code (RDMC) be expanded to not only reflect the new or modified use types

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but also be expanded to include other definitions of terms commonly used in administering the City's Zoning Regulations, Title 17 of the Rio Dell Municipal Code (RDMC).

A public hearing was opened to receive public comment on the proposed ordinance.

There being no public comment, the public hearing closed.

Motion was made by Garnes/Marks to introduce and conduct first reading (by title only) of Ordinance No. 340-2015 amending the "Definitions" provisions, chapter 17 of the Rio Dell Municipal Code (RDMC) to amend some existing definitions, include additional definitions and eliminate some definitions, and to continue consideration, approval and adoption of the ordinance to the meeting of November 17, 2015. Motion carried 5-0.

Introduction and first reading (by title only) of Ordinance No. 341-2015 amending Section 5.30.520(2)(a) of the Rio Dell Municipal Code (RDMC) related to the PEG fee paid by cable operator to support public access television

City Manager Knopp provided a staff report and said since April of 2014, Suddenlink has been operating under State Cable franchises in accordance with the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) which requires payment of PEG access fees that equal 3% of the gross cable revenues paid to the County and local cities. Suddenlink however; has only been paying 1% since May of 2014 and therefore is not in compliance with the local DIVCA ordinances.

He said Access Humboldt contracted with Sue Buske of the Buske Group as a consultant to conduct negotiations with Suddenlink on behalf of the local cities and county. He said the attached resolution and settlement and release agreement is the result of those negotiations.

He provided a brief review of the terms and conditions of the Settlement and Release Agreement and recommended the Council approve the terms as described.

A public hearing was opened to receive public comment on the proposed ordinance.

Melissa Marks asked if Access Humboldt is the only entity the funds can go to.

City Manager confirmed that they are since they are the only entity under the agreement.

Dean Glaser stated that the Buske Group came together and fought hard for the cities and said 1.401% is good because it saved the cities a huge expense in legal fees. He said the City Managers networked together and also got the City Attorney's on board.

There being no further public comment, the public hearing closed.

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Motion was made by Johnson/Thompson to introduce and conduct first reading of Ordinance No. 341-2015 (by title only) amending Rio Dell Municipal Code Section 5.30.520(2)(a) and related authorization for the City Manager to sign the Settlement and Release Agreement with Suddenlink regarding PEG Access Funding, and to continue consideration, and approval of the ordinance to the meeting of November 17, 2015. Motion carried 5-0.

REPORTS/STAFF COMMUNICATIONS

City Manager Knopp provided a report on recent activities and events and said as the Council is aware he has been out of town for the past couple of weeks however; last Thursday citizens began receiving protest ballots on the proposed water rate increase in the mail. He said he wanted to make it clear for the record that the ballots were not sent by the City and that the mailing went out with no return address to indicate who sent them.

He said the process is outlined by State law and the City followed the provisions for property related fees noting that if over 50% protest votes are received, the City can't move forward with the rate increase.

He said he wanted to explain why the City did not include a ballot in the Prop 218 notice that went out to all property owners and rate payers and said it was because it was not part of the noticing requirements.

Councilmember Thompson asked if an organized group protesting a proposed rate increase is required by law to register with the City Clerk. He said since several hundreds of dollars was spent to send out the protest votes wondered if staff should look into the legality of it.

Councilmember Barnes questioned the purpose and whether those protest votes will still count.

Councilmember Johnson pointed out that when you run for City Council you are required to report to the Fair Political Practices Commission any campaign contributions over \$500 and would assume that this person or persons would fall under the same category.

Mayor Wilson addressed Prop 218 and citizen's right to vote and said he is not particularly fond of some of the provisions under Prop 218. He asked for a consensus of the Council with regard to pursuing legal avenues regarding the mailing of the protest ballots by an unknown group of citizens. Three Council members said to leave it alone and one had no comment.

Councilmember Johnson asked if staff could notify the Council as to milestones regarding the number of protest votes the City receives.

Dean Glaser commented that if there is a bandit group of citizens it seems those votes would be ineligible and said duplicate votes would have to be set aside.

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Mayor Wilson explained the City Clerk has the process outlined for tabulating the protest votes and staff is set up to deal with any duplicate or invalid votes.

Councilmember Garnes assured the public that any vote that comes in will not be ignored if it is deemed valid.

City Manager Knopp said the message staff has received from the Council is very clear and will be followed.

Melissa Marks said she owns several properties and supports the rate increase and asked if she can send in "yes" votes for those parcels since renters move on. She was told that only "No" protest votes count.

Finance Director Woodcox provided a report of recent activities in the finance department and said she was re-evaluating staffing in her department and said having finance staff assist in the police department 3 days/week has become burdensome. As such, they are exploring the idea of hiring a part-time person in the police department.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Johnson reported that he will be attending a Last Chance Grade Stakeholders meeting in Crescent City the following day and said the League of California Cities is sponsoring a workshop on Cannabis legislation on November 16, 2015 at the Warfinger Building in Eureka and suggested no more than two Council members attend to avoid potential violation of the Brown Act.

Mayor Wilson reported on his attendance at Redwood Region Economic Development Commission (RREDC) and said it was his turn to speak on a subject and he talked about the City's proposed rate increase. He said the board was extremely surprised to hear what the MHI is being reported for Rio Dell.

ADJOURNMENT

Motion was made by Johnson/Marks to adjourn the meeting at 8:55 p.m. to the November 17, 2015 regular meeting. Motion carried 5-0.

Frank Wilson, Mayor

Attest:


Karen Dunham, City Clerk

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)
E-mail: cm@riodelcity.com



**CITY OF RIO DELL
STAFF REPORT
CITY COUNCIL AGENDA
November 17, 2015**

TO: Mayor and Members of the City Council

THROUGH: Kyle Knopp, City Manager 

FROM: Brooke Woodcox, Finance Director

DATE: November 17, 2015

SUBJECT: Discussion and Possible Action to Adopt Resolution No. 1277-2015 Authorizing Participation in the Public Agency Coalition Enterprise Joint Powers Agreement Related to Employee Health Benefits.

RECOMMENDATION

Approve Resolution 1277-2015 authorizing participation in a Joint Powers Agreement (JPA) with the Public Agency Coalition Enterprise Joint Powers Authority for the purpose of providing health insurance coverage for the City's employees.

BUDGETARY IMPACT

None at this time. The agreement will mitigate rising health insurance costs for 12 months, and potentially into the future.

BACKGROUND AND DISCUSSION

On October 20, 2015 City Manager Kyle Knopp brought to the Council's attention that City staff had been exploring different healthcare options. This had come about due to healthcare costs that have been continually rising with the largest increase that the City had ever seen (27%) in December 2014. This increase was soon mitigated through voluntary action and agreement by employees for decreased healthcare benefits beginning in February 2015.

Once again the City is anticipating an increase in health care costs in February 2016 that may be as high as 11%, however this factor isn't confirmed. Keenan and Associates, the insurance provider that City staff has been exploring, has the potential to lessen the impact of increasing health care costs.

Keenan and Associates have been providing health care benefits for over 30 years through joint powers agreements (JPA). They serve as the provider for the JPA known as Public Agency Coalition Enterprise (PACE). By joining PACE the City's employees will have the benefit of having a plan that closely resembles their previous plan and is administered through the Anthem Blue Cross network. Employees will see increased health care benefits through the extensive list of in-network-providers.

The proposal presented by Keenan and Associates will be less out of pocket expenses for the employee with the added benefit that the cost to the City, despite the change in providers, doesn't change. Keenan and Associates have guaranteed these rates for 12 months. Keenan and Associates 5 year average renewal rate is 3.2% in comparison to the City's current plan that is estimated to increase up to 11% in February. Keenan's lower rate of increases will have a positive effect on the budget and additionally, a positive financial impact for employees.

It is staff's opinion that Keenan and Associates healthcare proposal is a step in the right direction towards fiscal responsibility and the City's commitment to providing employees with robust healthcare benefits. The proposal, which all employees have unanimously agreed to, allows the City to maintain quality health insurance for employees while endeavoring towards present and future sustainability.

ATTACHMENTS

- A) Resolution 1277-2015
- B) Public Agency Coalition Enterprise (PACE) JPA Bylaws (current)
- C) Keenan and Associates Proposal

RESOLUTION NO. 1277-2015

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF RIO DELL APPROVING THE FORM OF AND AUTHORIZING
THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND
AUTHORIZING PARTICIPATION IN THE PUBLIC AGENCY COALITION
ENTERPRISE (PACE) MEDICAL BENEFITS PROGRAM**

WHEREAS, the **CITY OF RIO DELL**, a public agency duly organized and existing under and by virtue of the laws of the State of California (the "Entity"), has determined that it is the best interest and to the advantage of the Entity to participate in medical benefits offered by the Public Agency Coalition Enterprise (the "Authority"); and the Entity understands a condition of participation in Medical Benefits is a minimum of two years; and

WHEREAS, the "Authority" became operational on April 1, 2012 in accordance with the provisions of California Government Code 6500 *et. seq.*, for the purpose of providing best-value benefit solutions and other coverage protection programs; and

WHEREAS, participation in the "Authority" medical programs requires the execution of the attached joint exercise of powers agreement ("Agreement") which states the purpose and participation requirements for the Authority; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby di exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Entity is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Rio Dell hereby approves as follows:

Section 1: Findings. The Entity's City Council hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the Entity.

Section 2: Memorandum of Understanding. The agreement to be executed and entered into by and between the Entity and the Authority in the form presented at this meeting and on file with the Entity's City Clerk, is hereby approved. The Entity's City Council hereby authorizes and directs the City Manager, for and in the name on behalf of the Entity, to execute and deliver to the Authority the Agreement, to be effective

November 3, 2015.

Section 3: Program Participation. The entity's City Council approves participating for a minimum of two years in the Authority's medical benefits program.

Section 4: Other Actions. The City Council authorizes and directs the City Manager to execute and deliver any and all documents which is necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by the City Manager in conformance with this Resolution are hereby ratified.

Section 5: Effective Date. This Resolution shall take effect immediately upon passage.

Section 6: The City Clerk shall certify to the adoption of this Resolution.

PASSED AND ADOPTED this 17th day of November, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank Wilson, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above to be a full, true and correct copy of Resolution No. 1277-2015 adopted by the City Council of the City of Rio Dell on November 17, 2015.

Karen Dunham, City Clerk

**AMENDED AND RESTATED BYLAWS
PUBLIC AGENCY COALITION ENTERPRISE
JOINT POWERS AUTHORITY**

PREAMBLE

The Public Agency Coalition Enterprise Joint Powers Authority ("PACE" or "JPA") is established for the purpose of the establishment, operation, and maintenance of a joint program for employee benefits coverage, and such other coverages and associated services as the Board may later determine, by its members ("Members"), and to provide a forum for discussion, study, development, and implementation of programs regarding employee benefits, insurance, and self-insurance. PACE shall comply with the provisions of Sections 6503.5 and 53051 of the Government Code requiring the filing of a statement with the Secretary of State.

**ARTICLE I
BOARD OF DIRECTORS**

- A. A Board of Directors ("Board") is hereby established to direct and control PACE. The number of directors shall equal the number of Members. As additional Members are added, the number of directors shall be adjusted accordingly without need to amend these bylaws.
- B. Each Member of PACE shall appoint one of its employees to serve on the Board, and shall notify PACE in writing of the appointment. The Insurance Advisory Committee described in Article VIII ("IAC") shall also appoint one of its members to serve on the Board.
- C. Each Director shall serve an indefinite term which shall end upon the occurrence of any of the following events:
1. Written notice from the appointing Member that it has appointed a replacement for the director;
 2. The director ceases to be an employee of the appointing Member, or the IAC, if service as IAC representative;
 3. The director provides written notice of resignation; or
 4. The director is involuntarily removed from office by a majority vote of the Board.
- Any vacancy on the Board shall be filled by the Member that appointed the Director leaving the vacancy.
- D. The Board shall meet at least annually and at other times as special meetings are called. The date, time, and place for each such regular meeting shall be fixed by resolution of the Board of Directors, which resolution shall be publicly posted prior to the meeting on a public bulletin board to be designated by the Board and filed with each Member. All meetings of the Board of Directors shall be called, held, and conducted in accordance with the terms and provisions of the Ralph M. Brown Act, Sections 54950, et seq., of the California Government Code ("Act"), as from time to time amended, and in accordance with rules adopted by the Board, provided that such rules are not inconsistent with the Act. The Board shall cause minutes of its meetings to be kept, and shall promptly transmit to the Members true and correct copies of the minutes of such meetings.

- E. The Board, by resolution, shall designate a specific location at which it will receive notices, correspondence, and other communications, and shall designate one of its Members as an agent for the purpose of receiving service on behalf of PACE.
- F. Each Director shall have one vote and, unless otherwise provided under these Bylaws, the action of a majority of Directors at any meeting at which a quorum is present shall constitute the action of the Board. A quorum shall consist of a majority of Directors present at any regular or specially called meeting of the Board.
- G. In addition to those standing committees established by the Bylaws, the Board may appoint and dissolve working committees whose function shall be as designated by the Board. Working committees shall not have authority to act on behalf of the Board, but shall present information, offer input, and/or make suggestions and recommendations to the Board. Unless otherwise prohibited by law or these Bylaws, membership in a working committee is not restricted to Directors. Any employee of a Member may serve on a working committee, provided, however, that each working committee shall have at least one (1) member who is a Director. The President shall appoint the chair and all members of each working committee.
- H. No Director shall receive any compensation in exchange for service as a Director, provided, however, that the Directors shall be reimbursed, in accordance with policies to be adopted by the Board, for all legitimate expenses incurred in the performance of their duties.
- I. The JPA may secure insurance coverage for the Board of Directors.

ARTICLE II POWERS OF THE BOARD OF DIRECTORS

- A. The Board may establish rules governing its own conduct and procedure, and have such expressed or implied authority as is not inconsistent with, or contrary to, the laws of the State of California, these Bylaws, or the Joint Powers Agreement ("JPA Agreement.")
- B. The Board of Directors shall directly or by contract take such action and provide for services required to effectively implement all aspects of this joint program.
- C. Unless otherwise prohibited by law or these Bylaws, the Board may delegate to the Executive Committee the authority to act on Behalf of the Board on any matter that is to be brought before the Board.
- D. The Board shall designate and engage a Program Manager to oversee the day-to-day activities of the JPA.

ARTICLE III EXECUTIVE COMMITTEE

- A. Once the Authority has reached seven (7) Members, the Board shall establish an Executive Committee. The size of the Executive Committee shall be as set by resolution of the Board. The Executive Committee shall be comprised of the PACE Officers and such other Directors as are elected by the Board. Until such time as the Executive Committee is established, the powers and duties of the Executive Committee as designated in these Bylaws shall be the responsibility of the full Board of Directors.
- B. The non-Officer members of the Executive Committee shall be elected by a majority vote of the Directors and shall serve a term ending on December 31 of odd numbered years. In the event of a vacancy on the Executive Committee, the vacancy shall be filled by the majority vote of the Executive Committee. Any individual elected to fill a vacancy shall serve for the remainder of the unexpired term.
- C. The Executive Committee may conduct regular, adjourned regular, special, and adjourned special meetings, provided, however, that it will hold at least two regular meetings each fiscal year. Such meetings may be held concurrent with PACE meetings. The date, time, and place for each such regular meeting shall be fixed by resolution of the Executive Committee, which resolution shall be publicly posted prior to the meeting on a public bulletin board to be designated by the Executive Committee and filed with each Member of PACE.

All meetings of the Executive Committee shall be called, held, and conducted in accordance with the terms and provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.) ("Brown Act") of the California Government Code, as said Act may be modified by subsequent legislation, and as the same may be augmented by rules of the Executive Committee not inconsistent therewith.

- D. Except as otherwise provided or permitted by law, all meetings of the Executive Committee shall be open and public. The Executive Committee shall cause minutes of its meetings to be kept, and shall promptly transmit to the Members of PACE true and correct copies of the minutes of such meetings.
- E. Each member of the Executive Committee shall have one (1) vote and, unless otherwise provided in these bylaws, the action of a majority at any meeting at which a quorum is present shall constitute the action of the Executive Committee. A quorum shall consist of a majority of Directors present at any regular or specially called meeting of the Executive Committee.
- F. No individual shall receive any compensation in exchange for service on the Executive Committee, provided, however, that the members of the Executive Committee shall be reimbursed, in accordance with policies to be adopted by the Board, for all legitimate expenses incurred in the performance of their duties.

**ARTICLE IV
POWERS OF THE EXECUTIVE COMMITTEE**

- A. The Executive Committee may establish rules governing its own conduct and procedure, and have such expressed or implied PACE as is not inconsistent with or contrary to the laws of the State of California, these Bylaws, the Agreement, or any rule, policy, procedure, action, or directive of the Board. The Executive Committee shall have no power to overrule or invalidate any action validly taken by the Board.
- B. The Executive Committee shall have the duty to act on behalf of the Board in between the meetings of the Board, but only as described in Part C below.
- C. The powers of the Executive Committee include:
 - 1. Appoint and dissolve working committees;
 - 2. Directly or by contract provide for services required to effectively implement all aspects of this joint program;
 - 3. Review, approve and/or terminate any contract to which PACE is a party, except that the JPA's contract with the Program Manager may only be approved or terminated by the full Board;
 - 4. Approve admission of new Members;
 - 5. Approve the health benefits insurance and insurance-related programs to be offered to the Members;
 - 6. Work with the Program Manager, as appropriate, to oversee PACE's insurance programs and day-to-day operations; and
 - 7. Any other power necessary to conduct the business of PACE unless such power is specifically reserved to the Board.

**ARTICLE V
OFFICERS**

- A. The Officers of PACE shall be elected by the Board, and shall be the President, Vice President, and Secretary/Treasurer. Each officer shall serve a term ending on December 31 of even numbered years. Any person elected or appointed as an Officer may be removed at any time, with or without cause, by a majority vote of the Board. Any vacancy in an Officer position shall be filled by the Board.
- B. The President shall be the chief executive officer and shall have general supervision and direction of the business of PACE, shall see that all orders and resolutions of the Board are carried into effect, and shall have other powers and perform such other duties as may be prescribed from time to time by the Board. The President shall also be a Member of all working committees established by the Board or Executive Committee.
- C. The Vice President shall have such powers and perform such duties as may be prescribed from time to time by the Board or the President. In the absence or disability of the President, the Vice President shall be vested with all the powers and authorized to perform all the duties of the President.

D. The Secretary/Treasurer shall have the following duties:

1. Attend all meetings of PACE and record all votes and the minutes of all meetings;
2. Give, or cause to be given, notice of all meetings of PACE when notice is required by law or these Bylaws;
3. Act as the chief financial officer of PACE and assume the following duties described in Sections 6505.1 and 6505.5 of the California Government Code:
 - i. Receive and receipt for all money of PACE and place it in a County Treasury and/or a commercial account as approved by PACE to the credit of PACE;
 - ii. Be responsible for the safekeeping and disbursement of all money of PACE; and
 - iii. Pay, when due, out of money of PACE, all legitimate and verifiable sums payable by PACE.
4. Verify and report in writing on the first day of July, October, January, and April of each year, or as soon as possible thereafter, to PACE, the amount of money he holds for PACE, the amount of receipts since his last report, and the amount paid out since his last report.
5. Act as Custodian of PACE property; and
6. Perform such other duties as may be prescribed from time to time by law or by PACE or the President.

ARTICLE VI MEMBERSHIP

- A. Membership in PACE is open to any commercially insured or self-insured California public agency. Membership shall be deemed to be effective when the prospective Member has:
1. Been approved by the Board or Executive Committee;
 2. Has executed the Agreement; and
 3. Agreed in writing to be bound by these Bylaws.
- B. For purposes of Section A above, "public agency" means any city, state, county, or local government or an agency of city, state, county, or local government, public school district, community college district, county board of education/county superintendent of schools, regional occupational programs/centers, or other public entity or any joint powers authority comprised of any of the foregoing and serving the interests of the public entities detailed in this section.

ARTICLE VII PROGRAM MANAGER

A Program Manager shall oversee the day-to-day operations and administrative functions of PACE. The Program Manager shall also act as PACE's benefits consultant and insurance broker for the organization. Given its extensive experience as an insurance broker/consultant and in the management of pooled insurance programs and joint powers authorities, Keenan shall serve as PACE's Program Manager. Keenan shall serve at the pleasure of the Board and may be removed as the Program Manager if such removal is authorized by unanimous consent of all Directors. The compensation of the Program Manager will be set each year by the Board. Members shall comply

with any initiatives or programs implemented by the Program Manager on behalf of PACE, including, but not limited to, the use of the BenefitBridge data platform to facilitate enrollment and the transmission of eligibility data.

ARTICLE VIII INSURANCE ADVISORY COMMITTEE

- A. There shall be created an Insurance Advisory Committee ("IAC") whose purpose shall be to advise and consult with the Board with respect to the interests and concerns of non-management employees of the Members. Each Member shall designate up to two (2) individuals from the organization to serve on the IAC. Individuals shall serve on the IAC at the pleasure of the appointing Member and any individual so serving may be removed and replaced by the appointing Member at any time for any reason.
- B. The IAC shall appoint two (2) members of the Committee to serve as Directors of the Authority. Except as expressly described in this Article VII, any individual representing the IAC on the Board of Directors shall have the same duties, responsibilities, and conditions of tenure as each other Director.
- C. The IAC shall select one individual to serve as its Chair. The Chair shall preside over all meetings of the IAC.
- D. The IAC shall function only in an advisory capacity and shall have no authority to take any action or make any decision on behalf of the Authority.
- E. All meetings of the IAC will be called, held and conducted in compliance with the provisions of the Brown Act.
- F. The IAC members shall not receive compensation for their service on the Committee. Expenses incurred by an IAC member at the direction or request of the Board shall be eligible for reimbursement only if approved in advance.
- G. The IAC shall meet at least once annually. Additional meetings may be convened upon request of the Chair or any IAC member, or at the request or direction of the Board.

ARTICLE IX WELLNESS INITIATIVES

Each Member shall promote the health and well-being of its employees through participation in the wellness initiatives adopted by PACE. In furtherance of such initiatives, and to support a wellness program among its own employees, each Member shall:

- 1. Create a wellness leadership team representing management and labor, which meets monthly and assists with providing direction for the program design, implementation, and evaluation;
- 2. Establish an employee wellness committee to provide involvement of the workforce in program design and advocacy;

3. Conduct an audit of the wellness environment in the organization, and identify actions to be taken to support a culture of wellness;
4. Conduct an assessment of employee wellness needs, interests, and challenges;
5. Develop a multi-year wellness program blueprint – including mission, goals, and objectives – to provide an action plan for implementing and evaluating the program, and for sustaining the program to achieve a positive return on investment;
6. Create a wellness program branding;
7. Develop a strategy for engaging employees in the program, including an incentives program plan; and
8. Identify metrics for monitoring and evaluating the program's progress and outcomes.

ARTICLE X FINANCE

- A. PACE shall operate on a fiscal year from January 1st through December 31st.
- B. No less than 120 days before the end of the fiscal year, the Executive Committee shall adopt an operating budget ("Operating Budget") for the following fiscal year. A copy of the Operating Budget shall be transmitted to each of the Members.
- C. As necessary, an Operating Account shall be established and maintained by the Program Manager for any the monies that may be received by PACE. Funds from the Operating Account shall be used for the payment of the operating expenses of PACE.
- D. Each Member shall be responsible for the payment of its own insurance premiums.
- E. Each Member shall be responsible for a pro rata share of the fees of the Program Manager and such other expenses as may be authorized by the Board. The amount of each Member's share shall be calculated on a per employee per month basis.

ARTICLE XI INSURANCE COVERAGE AND OTHER SERVICES

- A. The Program Manager shall, upon Board recommendation, solicit and obtain quotes from insurance carriers for presentation to the Board.
- B. The Board shall determine the carrier(s) and insurance options that will be made available to the Members.
- C. Coverage shall renew as of the first day of each fiscal year.

- D. Each commercially insured Member must purchase its benefits insurance coverage through the JPA. unless the selected carrier(s) refuses to offer a quote for such Member, in which case the Member may either elect to continue as a self-insured Member or be terminated from membership in PACE, pursuant to Article XII.
- E. Each member may select from the available commercial insurance coverage options in accordance with the guidelines set up by carrier(s) and/or the JPA. Once its options have been selected, a Member may not change its selected options for a period of 3 years, provided, however, that under extenuating circumstances a Member may request that this requirement be waived. Any Member requesting a waiver must present its request in writing to the Executive Committee explaining the circumstances and the reasons why the waiver should be granted. The Executive Committee shall have the sole authority to determine, in its absolute discretion, whether or not to grant the waiver. The decision of the Executive Committee shall be final.
- F. Each commercially insured Member will be responsible for the timely payment of its insurance premiums. Failure to pay premiums when due is grounds for termination of membership in the JPA.
- G. PACE will make available the third party administration (TPA) services to its self-insured Members. Self-insured TPA services will be provided by the PACE Program Manager. Members will be expected to utilize the services of TPA PACE's Program Manager unless an exception is granted in writing by the Board.
- H. Self-insured Members securing TPA services through PACE will have access to the pricing negotiated by the TPA and the applicable network.
- I. Self-insured Members will be required to accept the terms and conditions of the TPA service agreement entered into by PACE and the Program Manager.
- J. Each self-insured Member will be fully and solely responsible for the payment of its claims and will be responsible for funding a claims payment account for use by the TPA.
- K. Self-insured Members will be billed directly by the TPA for the TPA services and will be solely responsible for payment of the TPA fees.

ARTICLE XII ACCOUNTS AND RECORDS

- A. The Secretary/Treasurer is the designated depository of PACE funds in compliance with California Government Code 6505.5 and 6505.6.
- B. PACE is strictly accountable for all funds received and dispersed by it and, to that end, PACE shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of law or any resolution of PACE. Books and records of PACE in the hands of the Secretary/Treasurer shall be open to inspection at all reasonable times by representatives of the Members. As soon as practical after the close of

each fiscal year, PACE shall give, or cause to be given, a complete written report of all financial activities for such fiscal year to each Member.

- C. The Board of Directors shall make, or contract with a Certified Public Accountant to make, an annual audit of the accounts, records, and financial affairs of PACE. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the California Government Code and shall conform to generally accepted auditing standards and accounting principles. When such an audit of accounts and reports is made by a Certified Public Accountant, a report thereof shall be filed as a public record with each of the Members of PACE.

ARTICLE XIII TERMINATION OF MEMBERSHIP

- A. Any Member who has been a member of PACE for at least two (2) years may terminate its membership and its participation in the Joint Powers Agreement by providing notice in the manner prescribed in Section B below. Termination will be effective as of the last day of the then-current fiscal year.
- B. Notice must be given at least 60 days before the end of the fiscal year. Notice must be in writing signed by the chief executive of the Member and submitted with a copy of a resolution of the Member's Board of Trustees authorizing the termination. The Board has the right to impose a termination fee upon any Member who fails to provide notice in the manner required by these Bylaws.
- C. Any Member withdrawing from PACE shall not be eligible to reapply for membership for a period of three (3) years.
- D. The terminating Member will not be eligible to renew any insurance coverage obtained through PACE at the rates available to PACE Members
- E. A Member may be involuntarily terminated from PACE upon a two-thirds (2/3) majority vote of the Executive Committee at any meeting at which a quorum is present.
- F. Grounds for involuntary termination include, but are not limited to, the following:
1. Failure or refusal to abide by the Agreement or Bylaw, and/or any amendment thereto;
 2. Any action which in the opinion of the Board is contrary to best the interests, goals and/or objectives of PACE and its Members.
 3. Failure of a Member to disclose a material fact to PACE or its Program Manager which, in the opinion of the Board, constitutes fraud, misrepresentation or concealment for the purposes of obtaining coverage with PACE.
 4. Failure to qualify for any insurance coverage offered through PACE, if not continuing as a self-insured Member securing TPA services through PACE;
 5. Failure for more than 60 days to pay any of its share of the Program Manager's fees;
 6. The cancellation of insurance obtained through PACE for non-payment of premiums, or

7. Failure for more than 60 days to make any payment due for TPA services secured through PACE.

Involuntary termination shall have the effect of eliminating the Member as a signatory to the Agreement and as a Member of PACE. Termination shall be effective upon such other date as the Board may specify, but in no case less than thirty (30) days after notice of involuntary termination is given. In the event that termination occurs before the last day of the fiscal year, any insurance obtained by the terminated Member through PACE shall continue until the first day of the month following the termination date.

ARTICLE XIV DISPOSITION OF PROPERTY AND FUNDS

In the event of the dissolution of PACE, the complete rescission, or other final termination of Joint Powers Agreement by all Members then a party to the Agreement, any property interest remaining in PACE following a discharge of all obligations shall be disposed of pursuant to a plan adopted by the Board of Directors with the objective of returning to each Member a pro rata share of the remaining interest. The pro rata share shall be determined by the length of time each entity has been a Member.

ARTICLE XV INVESTMENT OF FUNDS

- A. PACE shall have the power to invest or cause to be invested, in compliance with Section 6509.5 of the California Government Code, such funds as are not necessary for the immediate operation of PACE as allowed by Section 53601 of the California Government Code.
- B. The level of cash to be retained for the actual operation of PACE shall be determined by the Board.

ARTICLE XVI AMENDMENT

- A. Amendment to these Bylaws may be proposed by any Member of the Board.
- B. Except as otherwise provided in these Bylaws, amendments to these Bylaws must be adopted by a two-thirds (2/3) vote of all Directors. Any amendments duly adopted by the Board shall be binding upon all Members of PACE. Any amendment that would alter the rights of the Members or would fundamentally change the purpose of the JPA as established in the Preamble to these Bylaws, must be approved by the unanimous consent of all Directors. The effective date of any amendment will be on the first day of the next month following adoption, unless otherwise stated.

**ARTICLE XVII
SEVERABILITY**

Should any portion, term, condition, or provision of these Bylaws be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

**ARTICLE XVIII
EFFECTIVE DATE**

These Bylaws shall become effective immediately upon their adoption by the Board.

Approved : August 6, 2014
Amended and Restated: Feb. 25, 2015
Approved: April 28, 2015



City of Rio Dell Scope of Services

Presented By:
Howell Southmayd
November 17, 2015

Keenan

Companies	Principal Market Segment and Services
<i>Keenan</i> <i>Associates</i>	950+ Public Agency Clients
<i>Keenan</i> <i>HealthCare</i>	117 Healthcare Clients

An Overview of Our Company

- Keenan has been serving California public agencies for 42 years
- More than 950 California Public Agency clients
- 650 employees, 9 offices statewide staffed to offer daily individual and personal service to an agency and its employees
- Privately held; employee owned
- Enables Keenan to take a long term approach
- Built to exclusively serve the insurance and consulting needs of California public agencies
- **A commitment to innovation**

Background

- Staff contacted Keenan to inquire about alternatives to save money
- Meeting to understand the current plans and rates offered
- Data provided
- Keenan Medical JPA Cost Savings with the same or enhanced Medical benefits
 - Presentation to staff

Keenan Medical JPA

- Serving California Public Entities since 1982
- Providing services to 40+ employer groups
- Currently provides a variety of Anthem medical plan options
- 3 and 4 tier rate structures
- Large Group with over 8000 members – offers rate stability.
- The City will have representation on the Keenan Medical JPA Board

Savings and Stability

- Savings
 - \$15,000 annually
 - Approximately one month's of the City's medical premium
- Stability
 - The City currently offers a Small Group age rated medical plan because the group is under 100 employees
 - Small Group age rated plans have volatility in terms of rate increases and changes to plan design
 - Keenan Medical JPA is rated as a Large Group medical plan with composite rates
 - Composite rate types include Employee only, Employee plus one dependent and Employee plus family
 - Wellness Programs help control costs of the Keenan Medical JPA

Benefits to Employees

- Benefits are enhanced with lower monthly costs
- The lower Out of Pocket Maximum benefit is superior to the current plan
 - Current plan: \$2,500 Individual/\$5,000 Family
 - Keenan Medical JPA: \$1,500 Individual/\$3,000 Family
- Wellness programs

Keenan Ongoing Service

Account Manager – Crystal McDevitt

Keenan's Proven Results

Agency	Cost Savings
County	Saved Over \$2,000,000 in life and AD&D premium without changing a benefit
City	Saved City 17% on Ancillary benefits.
City	Saved City 14% on Ancillary benefits.
Book of Business	Saved in excess 5% when renegotiated medical renewals
City	Saved City \$1.4 million dollars without changing benefits
City	Saved over 10% by moving to a Medical JPA
County	Saved 50% of the retiree costs by implementing a Medicare Exchange



Your Keenan Service Team



Howell Southmayd
Vice President
Employee Benefits/Municipalities
(28 years industry experience)



Crystal McDevitt
Account Manager
Employee Benefits/Municipalities
(11 years industry experience)



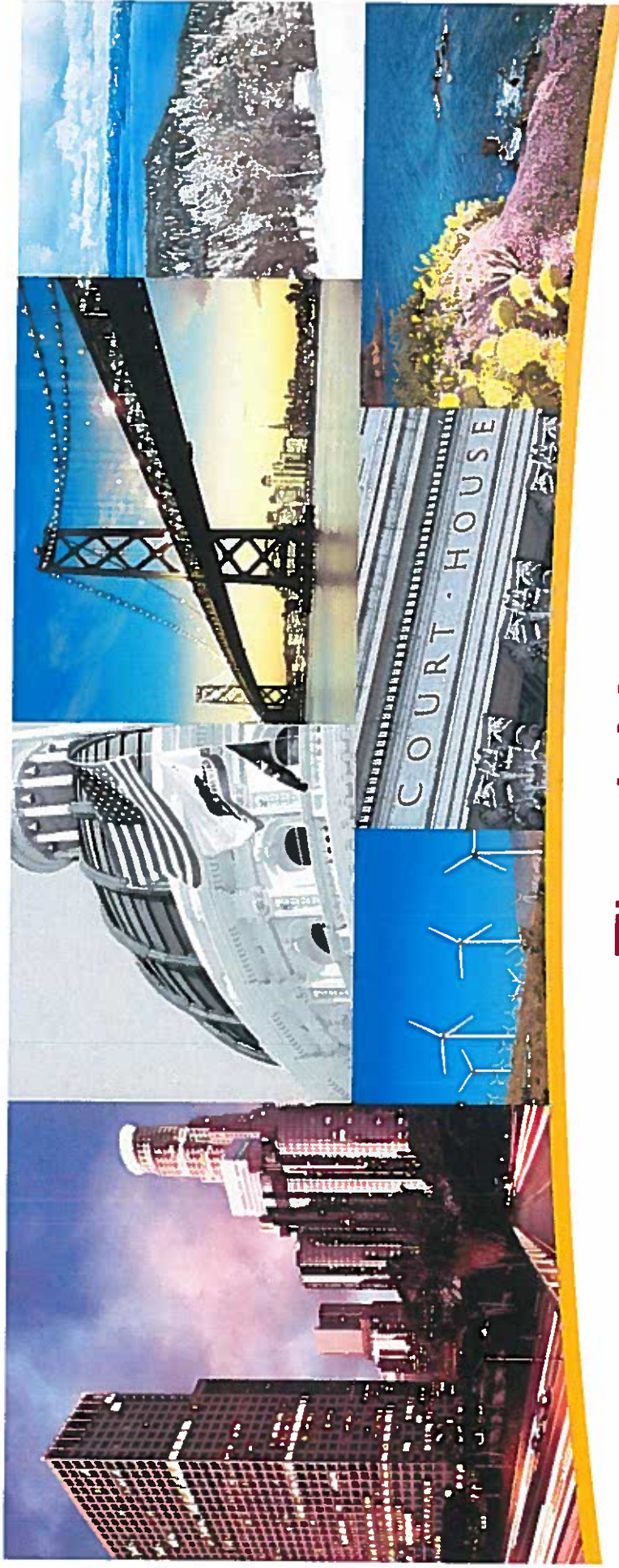
Steve Gedestad
Municipality Practice Leader
(35 years industry experience)



Stacey Comerchero
Senior Account Manager
Employee Benefits/Municipalities
(30 years industry experience)



Tom Edwards
Senior Vice President
Benefits Underwriting and
Actuarial Analysis
(30 years industry experience)



Thank You

Howell Southmayd, Vice President
Keenan & Associates
2868 Prospect Park Drive, Suite 600
Rancho Cordova, CA 95670
(925) 683-5048 mobile
hsouthmayd@keenand.com


License No. 0451271

Innovative Solutions. Enduring Principles.
Keenan
Associates

*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com*



November 17, 2015

TO: Rio Dell City Council
FROM: Kyle Knopp, City Manager 
SUBJECT: Presentation from Eel River Disposal on Solid Waste and Recycling Franchise Agreement and Current Operations

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive the presentation and ask questions.

BACKGROUND AND DISCUSSION

Representatives from Eel River Disposal (ERD) have been invited to give a short presentation on Solid Waste and Recycling Services provided in Rio Dell.

The current agreement for Solid Waste and Recycling services was entered into with ERD on January 1, 2007 and terminates on December 31, 2016. As called for in the contract, the garbage rates undergo an annual adjustment. Over the next few months the City will need to either negotiate an extension of the current contract or issue a Request for Proposal for these services from interested and qualified providers.

Attached to the agenda are:

- 1.) Franchise Revenue from 2012-2016.
- 2.) Recycling Revenue from 2014-2016.
- 3.) A description of the methodology used to allocate tonnage from commingled collection routes.
- 4.) A definition of terms used in the annual rate adjustment, rate sheet, and quarterly reporting.
- 5.) The most recent quarterly report.
- 6.) A Letter from ERD describing the annual rate increase which was approved by the City Council on June 16, 2015.

///

EEL RIVER DISPOSAL FRANCHISE TAX FEES FROM 2012-2016

Dept Rev/Exp by Month													
June 30, 2012													
REVENUE	July	August	Sept	October	Nov	Dec	Jan	Feb	March	April	May	June	Total
4120 Fees - Franchise -	0.00	0.00	0.00	3,597.00	0.00	0.00	3,755.00	0.00	0.00	3,905.00	0.00	3,813.00	15,070.00
Garbage													
Total Revenue	0.00	0.00	0.00	3,597.00	0.00	0.00	3,755.00	0.00	0.00	3,905.00	0.00	3,813.00	15,070.00

Dept Rev/Exp by Month													
June 30, 2013													
REVENUE	July	August	Sept	October	Nov	Dec	Jan	Feb	March	April	May	June	Total
4120 Fees - Franchise -	0.00	0.00	0.00	3,744.00	0.00	0.00	3,735.00	0.00	0.00	3,647.00	0.00	3,713.00	14,839.00
Garbage													
Total Revenue	0.00	0.00	0.00	3,744.00	0.00	0.00	3,735.00	0.00	0.00	3,647.00	0.00	3,713.00	14,839.00

Dept Rev/Exp by Month													
June 30, 2014													
REVENUE	July	August	Sept	October	Nov	Dec	Jan	Feb	March	April	May	June	Total
4120 Fees - Franchise -	0.00	0.00	0.00	3,750.00	0.00	0.00	3,887.00	0.00	0.00	3,957.00	0.00	3,551.00	15,145.00
Garbage													
Total Revenue	0.00	0.00	0.00	3,750.00	0.00	0.00	3,887.00	0.00	0.00	3,957.00	0.00	3,551.00	15,145.00

Dept Rev/Exp by Month													
June 30, 2015													
REVENUE	July	August	Sept	October	Nov	Dec	Jan	Feb	March	April	May	June	Total
4120 Fees - Franchise -	0.00	0.00	0.00	3,994.00	0.00	0.00	3,845.00	0.00	0.00	4,149.00	0.00	3,581.00	15,568.00
Garbage													
Total Revenue	0.00	0.00	0.00	3,994.00	0.00	0.00	3,845.00	0.00	0.00	4,149.00	0.00	3,581.00	15,568.00

[illegible]

EEL RIVER DISPOSAL RECYCLING FEES FROM 2014-2016

Dept Rev/Exp by Month													
June 30, 2015													
<u>REVENUE</u>	<u>July</u>	<u>August</u>	<u>Sept</u>	<u>October</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>Total</u>
4190 Fees - Integrated	0.00	0.00	0.00	296.00	0.00	0.00	0.00	358.60	0.00	318.60	0.00	281.70	1,254.90
Waste Management													
Total Revenue	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>296.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>358.60</u>	<u>0.00</u>	<u>318.60</u>	<u>0.00</u>	<u>281.70</u>	<u>1,254.90</u>

[illegible]

Methodology Used to Allocate Tonnage from Commingled Collection Routes

Percentage Allocated To Each Jurisdiction

Fortuna	60%
County	22%
Rio Dell	11%
Ferndale	7%

Weight Factor Used For Average Density

30 Pounds per 30 Gallon Can
202 Pounds per Cubic Yard

The franchise collection route tonnage is allocated to each jurisdiction using the above percentages. This formula can be verified by can size and count, bin size and count using the weight factor above. Our routing software identifies the container size per jurisdiction and calculates the weight so that audits can be performed.

Eel River Disposal – Rio Dell

Definitions

Exhibit E

Rate/cont: Rate per container

Rate w/FF: Rate with franchise fee

Monthly Rate w/ff: Monthly rate with franchise fee

Rate Sheet

ERD Haul Cost Avoidance: Savings from not hauling materials to Eureka

Fortuna Host Fee: Amount paid to the city of Fortuna for “hosting the transfer station”

Quarterly Reporting

P1: #1 PET plastic containers

P2: #2 HDPE plastic containers

GL: Glass containers

Alu: Aluminum cans

TIN: Tin cans

CB: Cardboard

NP/MA: Newspaper and magazines

P 3-7: #3-#7 plastic

P BAGS: Plastic bags

GARB: Garbage

#5

CITY OF RIO DELL QUARTERLY REPORTING

Date of report:

10.23.15

Listed below are the total pounds of recycling separated by material type and also source (SSR is Single Stream Recycling, CH is City Hall.)

	P1	P2	GL	Alu	TIN	CB	NP/MA	P 3-7	P BAGS	GARB	TOTAL
JUL SSR	443.9	373.5	3586.1	187.6	1375.0	3960.4	6020.2	885.2	681.2	1855.1	18800
JUL CH	118.0	118.0	1400.0	49.0	721.0	1127.0	2380.0	280.0	175.0	630.0	7000
AUG SSR	601.4	451.1	3808.6	279.2	837.7	5176.7	5828.5	1288.8	988.8	2341.3	21480
AUG CH	147.9	147.9	1740.0	60.9	896.1	1400.7	2958.0	348.0	217.5	783.0	8700
SEP SSR	660.2	495.2	3961.4	306.5	819.6	5882.8	6508.1	1414.8	1081.1	2570.2	23580
SEP CH	138.4	138.4	1628.0	57.0	838.4	1310.5	2767.6	325.6	203.5	732.6	8140
TOTALS	2111	1725	15936	950	5588	18658	26562	4642	3315	9012	88500

PAYMENT FOR SINGLE STREAM RECYCLING (SSR) AT \$ 10.00 PER TON \$ 323.30

TOTAL TONNAGE OF WASTE GENERATED IN THE CITY LIMITS OF RIO DELL

328.06

QUARTERLY SUMMARY OF COMBINED SOLID WASTERECYCLING SUBSCRIBERS

682

QUARTERLY SUMMARY OF RECYCLING ONLY SUBSCRIBERS

61



May 27, 2015

City of Rio Dell
Mr. Kyle Knopp
675 Wildwood Ave
Rio Dell, CA, 95562

RE: Rate increase to be effective 7-1-15

Dear Kyle:

Please find enclosed new rate sheets reflecting our proposed rate change based upon the CPI, this year the change is -.1 %. There was an increase in the disposal rate, last year the rate was \$ 112.93 per ton and this year it is \$ 113.80 per ton. The rate change should be effective July 1, 2015.

If you should have any questions I can be reached at 725-5156.

Sincerely,

Karen Smith
Office Manager

07/01/15

ERD FEES:		RIO DELL
ERD Labor Cost		\$7.07 75 % of CPI
ERD Operation		\$4.38 75 % of CPI
ERD Scale Maintenance		\$0.77 75 % of CPI
ERD Haul Cost Avoidance		-\$10.71 75 % of CPI
ERD Capital Cost		\$5.88 FIXED FEE
ERD Return on Investment		\$6.69 75 % of CPI
HWMA FEES		
Operations		\$54.87
Indirect Expenses		
Payroll		\$17.21
Capital Expenditures		
Transportation		
Landfill		
Household Hazardous Waste Program		\$6.29
County/City Recycling Programs		\$4.93
Table Bluff Maintenance		\$0.94
County Local Enforcement Agency (LEA)		\$2.66
Cleanup Fees		\$0.57
Cummings Landfill Maintenance, Monitoring		\$4.67
County Rural Container Subsidy		\$4.52
Administration		\$1.91
Other Fees (Fortuna Host fee of 1.15 per ton)		\$1.15
TOTAL		\$113.80

City of Rio Dell

Disposal Rates
EXHIBIT A

113.80 Per Ton
Effective 7-1-15

Bag Service
Regular **1 Bag**
\$1.92

Monthly Rate
20-Gallon Can **1 Can**
1xWeekly \$5.19

Monthly Rate	1 Can	2 Cans	3 Cans	4 Cans
32-Gallon Can				
1xWeekly	\$8.31	\$16.61	\$24.92	\$33.22
2XWeekly	\$16.61	\$33.22	\$49.83	\$66.44

Monthly Rate	1 Yard	1.5 Yard	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
Bins No Rental							
1xWeekly	\$52.43	\$78.64	\$104.86	\$157.28	\$209.71	\$314.57	\$419.42
2xWeekly	\$104.86	\$157.28	\$209.71	\$314.57	\$419.42	\$629.13	\$838.85
3XWeekly	\$157.28	\$235.93	\$314.57	\$471.85	\$629.13	\$943.70	\$1,258.27

City of Rio Dell

Collection Rate
EXHIBIT B

Bold numbers
effective 7-1-15

-0.001

Bag Service
Regular

1 Bag
\$4.49

\$4.49

Curbside Recycling

\$6.15

\$6.14

Monthly Rate
20-Gallon Can
1xWeekly

1 Can
\$15.29

\$15.27

Monthly Rate
32-Gallon Can
1xWeekly
2XWeekly

1 Can	2 Cans	3 Cans	4 Cans
\$17.49	\$24.50	\$33.94	\$39.98
\$30.51	\$46.32	\$65.23	\$77.33

\$17.47	\$24.48	\$33.91	\$39.94
\$30.48	\$46.27	\$65.16	\$77.25

Monthly Rate
Bins No Rental
1xWeekly
2xWeekly
3XWeekly

1 Yard	1.5 Yard	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
\$29.50	\$44.24	\$59.05	\$88.59	\$118.05	\$177.16	\$236.77
\$52.65	\$87.91	\$117.35	\$175.93	\$234.91	\$351.95	\$469.30
\$88.59	\$131.95	\$175.93	\$264.03	\$351.95	\$527.88	\$704.27

\$29.47	\$44.20	\$58.99	\$88.50	\$117.93	\$176.98	\$236.53
\$52.60	\$87.82	\$117.23	\$175.75	\$234.68	\$351.60	\$468.83
\$88.50	\$131.82	\$175.75	\$263.77	\$351.60	\$527.35	\$703.57

Bin Rental

1 Yard	1.5 Yard	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
\$19.67	\$22.39	\$25.17	\$30.70	\$36.11	\$47.50	\$55.36
\$19.65	\$22.37	\$25.14	\$30.67	\$36.07	\$47.45	\$55.30

City of Rio Dell

Combined Rate
EXHIBIT C

To be effective 7-1-14

Bag Service **1 Bag**
Regular \$6.40

Curbside Recycling \$6.14

Monthly Rate
20-Gallon Can **1 Can**
1xWeekly \$20.47

Monthly Rate				
32-Gallon Can	1 Can	2 Cans	3 Cans	4 Cans
1xWeekly	\$25.78	\$41.09	\$58.82	\$73.16
2XWeekly	\$47.09	\$79.50	\$115.00	\$143.70

Monthly Rate							
Bins No Rental	1 Yard	1.5 Yard	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
1xWeekly	\$81.90	\$122.84	\$153.85	\$245.75	\$327.64	\$491.55	\$655.96
2xWeekly	\$157.45	\$245.11	\$326.94	\$490.32	\$654.10	\$980.73	\$1,307.68
3XWeekly	\$245.78	\$367.74	\$490.32	\$735.62	\$980.73	\$1,471.05	\$1,961.83

Bin Rental	1 Yard	1.5 Yard	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
	\$19.65	\$22.37	\$25.14	\$30.67	\$36.07	\$47.45	\$55.30

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Change Output Options:

 From: To:
☐ include graphs ☐ include annual averages

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Data extracted on: May 27, 2015 (6:17:12 PM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100

 Download: [CSV](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.6	199.2	197.6	196.8	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.4	201.8	201.5	201.8	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.919	208.352	208.295	207.917	208.490	208.936	210.177	210.036	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.785	216.573	212.425	210.228	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.334	215.969	216.177	216.330	215.549	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	225.545	226.889	226.421	226.230	225.672	223.598	226.280
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.467	231.317	230.221	229.601	228.850	230.338
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.366	233.548
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.952	238.031	237.433	236.151	234.812	236.384	237.088
2015	233.707	234.722	236.119	236.599										

12-Month Percent Change

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100

 Download: [CSV](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2005	3.0	3.0	3.1	3.5	2.8	2.5	3.2	3.6	4.7	4.3	3.5	3.4	3.0	3.3
2006	4.0	3.6	3.4	3.5	4.2	4.3	4.1	3.8	2.1	1.3	2.0	2.5	3.3	2.6
2007	2.1	2.4	2.8	2.6	2.7	2.7	2.4	2.0	2.8	3.5	4.3	4.1	3.5	3.1
2008	4.3	4.0	3.9	4.2	5.0	5.6	5.4	4.9	3.7	1.1	0.1	-4.2	-3.4	-0.1
2009	0.0	0.2	-0.4	-0.7	-1.3	-1.4	-2.1	-1.5	-1.3	-0.2	1.6	2.7	-0.6	-0.1
2010	2.6	2.1	2.3	2.2	2.0	1.1	1.2	1.1	1.1	1.2	1.1	1.5	2.1	1.2
2011	1.6	2.1	2.7	3.2	3.6	3.6	3.6	3.8	3.9	3.5	3.4	3.0	2.8	3.5
2012	2.9	2.9	2.7	2.3	1.7	1.7	1.4	1.7	2.0	2.2	1.6	1.7	2.3	1.8
2013	1.6	2.0	1.5	1.1	1.4	1.8	2.0	1.5	1.2	1.0	1.7	1.5	1.5	1.4
2014	1.6	1.1	1.5	2.0	2.1	2.1	2.0	1.7	1.7	1.7	1.3	0.8	1.7	1.5
2015	-0.1	0.0	-0.1	-0.2										

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EXHIBIT E

SIZE	TON	RATE	Rate/cont	Monthly Rate	Rate w/FF	Monthly Rate w/ff
1#/GAL-202#/YD						
20 Gallon	0.01	\$ 113.80	1.14	4.93	1.20	5.19
32 Gallon	0.016	\$ 113.80	1.82	7.89	1.92	8.31
40 Gallon	0.02	\$ 113.80	2.28	9.85	2.40	10.38
64 Gallon	0.032	\$ 113.80	3.64	15.73	3.83	16.61
1 Cu Yd	0.101	\$ 113.80	11.49	49.81	12.10	52.43
1.5 Cu Yd	0.1515	\$ 113.80	17.24	74.71	18.15	78.64
2 Cu Yd	0.202	\$ 113.80	22.99	99.61	24.20	104.86
3 Cu Yd	0.303	\$ 113.80	34.48	149.42	36.30	157.28
4 Cu Yd	0.404	\$ 113.80	45.98	199.23	48.39	209.71
6 Cu Yd	0.606	\$ 113.80	68.96	298.84	72.59	314.57
8 Cu Yd	0.808	\$ 113.80	91.95	398.45	96.79	419.42

EXHIBIT F

SERVICE TO THE CITY RIO DELL FRANCHISE AGREEMENT

CONTRACTOR shall provide CITY with solid waste collection of up to twelve 32-gallon cans per week. The CITY may increase this limit by one can per year. CITY reserves the right to control the location and frequency of pick up within the above stated limits. Locations of bins are to be designated by CITY from time to time in writing. CONTRACTOR shall also provide recycling service to CITY. The list of materials that CONTRACTOR is required to pickup for such recycling collection shall not exceed that established in this Agreement, or as it is from time to time amended. (See section 2.01.03.05 in regard to recycling service.)

Current Can Locations: as of January, 2007

Police & City Hall	3 cans
Corporation Yard	1 four yard dumpster
Public Cans located throughout town	9 cans

CONTRACTOR will also provide services one day per year for a clean up event. Those services will include disposal bins and recycling bins. Recycling will include metals, wood, cardboard, and appliances. CONTRACTOR will provide labor to assist residents with their material. CONTRACTOR will not be required to accept tires, hazardous materials, liquids, household garbage, commercial waste, or waste from remodeling projects. Participants will be required to demonstrate that they are residents of Rio Dell. The CITY will pay for disposal costs of the disposed material from the event, but will not pay for transportation, or CONTRACTOR's labor. CITY and CONTRACTOR will work together to maximize recycling and minimize disposal. CITY will be responsible for organizing and publicizing the event. CITY will determine the date for the event.

*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com*



November 17, 2015

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action Approving Resolution 1279-2015 Amending and Restating Joint Powers Agreement of the Redwood Coast Energy Authority

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Resolution 1279-2015 and authorize the Mayor to execute the Amended and Restated Joint Powers Agreement (JPA) of the Redwood Coast Energy Authority (RCEA)

BACKGROUND AND DISCUSSION

RCEA was established to provide regional development and implementation of energy programs that reduce demand, increase efficiency and advance the use of renewable resources for the benefit of local residents, businesses and institutions. On May 6, 2003 the City Council authorized execution the RCEA JPA via Resolution No. 842-2003 and the City of Rio Dell has been a member ever since. Interest in development of a community choice aggregation (CCA) program in Humboldt County has arisen. In 2002, the state provided local communities with the opportunity to procure electric power for their residents through establishment of community choice aggregation programs under Assembly Bill (AB) 117. Unlike a traditional municipal utility in which the city or county owns all of the infrastructure to generate and distribute power and service customer needs, community choice aggregation programs utilize the existing wires and equipment of incumbent investor-owned utilities. In Rio Dell's case, this would be Pacific Gas and Electric Company (PG&E). The community choice aggregation program purchases power, which is then delivered, metered and billed by PG&E. A joint powers authority can function as a community choice aggregator. Based on interest from member agencies the RCEA Board has approved revisions to the JPA which will allow RCEA to implement a CCA program.

The Amended and Restated JPA of the RCEA includes revisions as shown as attached. Briefly they are as follows:

1. Updates the Recitals, reformats the JPA, and regroups provisions into subject matter "Articles".
2. Acknowledges RCEA's authority as a community choice aggregator and provides the necessary powers to implement a CCA program.

3. Acknowledges that CCA program costs will be borne entirely by the CCA program revenue.
4. Establishes CCA program participant guidelines, including a CCA program partial weighted voting protocol. There is no change to the voting structure for other RCEA matters.

Upon approval of the Amended and Restated JPA any member agency will have the option to participate in the CCA program by adopting an ordinance indicating its election to participate. It is anticipated that once the amended JPA is approved, RCEA will prepare a template ordinance for member agencies to use to opt into the CCA program. The recommended action is to approve the Amended and Restated JPA of the RCEA and authorize the Mayor to execute the amended JPA. In accordance with the initial JPA, the Amended and Restated JPA will become effective at the time two thirds (2/3) of the member agencies approve the Agreement.

There is no financial impact to the City of Rio Dell. Other agencies involved in this effort include the County of Humboldt, Humboldt Bay Municipal Water District and the cities of Trinidad, Fortuna, Ferndale, Eureka, Blue Lake and Arcata.

Attachments:

Resolution 1279-2015

"Track Changes" JPA

Attachment A: Complete Proposed JPA
Community Choice Energy Roadmap

///

RESOLUTION NO. 1279-2015

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL
AUTHORIZING THE CITY TO ENTER INTO AN AMENDED AND RESTATED
JOINT POWERS AGREEMENT REFERRED TO AS THE REDWOOD COAST
ENERGY AUTHORITY**

WHEREAS, the City Council of the City of Rio Dell first authorized membership in the Redwood Coast Energy Authority Joint Powers Agreement on May 6, 2003 through Resolution No. 842-2003; and

WHEREAS, the Energy Authority's original purpose was to create a sustainable structure for developing and implementing local energy efficiency programs that serve the residents, businesses and institutions of Humboldt County; and

WHEREAS, interest has developed in Redwood Coast Energy Authority serving as a Community Choice Aggregator where the Authority or its designee would purchase power which is then metered and billed by the incumbent investor-owned utility; and

WHEREAS, changes in the original Joint Powers Authority Agreement are necessary in order to facilitate the Redwood Coast Energy Authority becoming a Community Choice Aggregator.

NOW, THEREFORE BE IT RESOLVED, that the City of Rio Dell hereby enters into an amended and restated joint powers agreement, herein attached as "Attachment A" with the Redwood Coast Energy Authority, and authorizes the Mayor to sign the Joint Powers Agreement.

PASSED AND ADOPTED by the City Council of the City of Rio Dell on November 17, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Frank Wilson, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above to be a full, true and correct copy of Resolution No. 1279-2015 adopted by the City Council of the City of Rio Dell on November 17, 2015.

Karen Dunham, City Clerk

AMENDED AND RESTATED
JOINT POWERS AGREEMENT OF THE
REDWOOD COAST ENERGY AUTHORITY
JOINT POWERS AGREEMENT

This Amended and Restated Joint Powers Agreement of the Redwood Coast Energy Authority is made and entered into pursuant to the provisions of California Government Code Section 6500 et seq., and supersedes the original Joint Powers Agreement effective April 22, 2003. This Amended and Restated Joint Powers Agreement ("Agreement") is effective as of _____, 20__.

Pursuant to the Joint Exercise of Powers Act ("the Act")¹, the undersigned, all of which are public agencies within the meaning of the Act, agree to form a joint powers agency to be known as the Redwood Coast Energy Authority, as set forth below:

RECITALS

A. The Redwood Coast Energy Authority ("RCEA" or "Authority") was formed in 2003 by the County of Humboldt and the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad, and the special district of the Humboldt Bay Municipal Water District (each a "Member," collectively, the "Members"). The California Public Utilities Commission ("CPUC") and the Local Government Commission ("LGC"), a California nonprofit membership organization, have to undertaken a pilot project created and funded by the California Public Utilities Commission ("CPUC") and the Local Government Commission ("LGC"), a California nonprofit membership organization, designed to encourage the formation of regional organizations to promote energy efficiency, conservation and increased local self-reliance. The CPUC has made funds available to the LGC to help local governments establish and operate such an organization on a pilot basis in Humboldt County, and the LGC has provided expert advice to representatives from the County of Humboldt and the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad, and the special district of the Humboldt Bay Municipal Water District (collectively the "Interested Agencies") to help create such an organization.

B. The Interested Agencies Through its activities since formation, the RCEA has desire to established Humboldt County and its communities as leaders in reducing energy demand, increasing energy efficiency, and advancing the use of clean, efficient and renewable local resources to increase regional self-reliance.

C. The RCEA Interested Members Agencies desire to further the RCEA goals by implementing and administering a common Community Choice Aggregation program pursuant to California Public Utilities Code Sections 331.1 and 366.2 an electric service enterprise which shall be available to those Member cities and the Counties that elect to become program participants. form a joint powers agency to receive and administer CPUC funds now available for regional energy efficiency activities, and to develop the capability to sustain and expand such activities over time to accomplish the goals stated above

NOW THEREFORE, based on the mutual covenants, conditions and terms recited herein, which are made a material part of this agreement, the undersigned public agencies, collectively referred to herein as the "Members," enter into this Amended and Restated Joint Powers Agreement and agree as follows:

AGREEMENT

¹ California Government Code §§ 6500 et seq.

ARTICLE 1 – AUTHORITY FORMATION

1.1 Formation of Humboldt County Regional Energy Alliance. Pursuant to the Act, the Members hereby create a joint powers agency to be known as the Redwood Coast Energy Authority (“RCEA”).

1.2 Separate Public Entity. The RCEA is a public entity separate from the Members within the meaning of Government Code Section 6507.

1.3 Parties to this Agreement. For purposes of this Agreement, each Member intends to, and does, contract with every other Member which is a signatory to this Agreement and, in addition, with every public agency that becomes a Member under Section ~~54.1~~. The withdrawal of any Member from this Agreement does not affect its validity or enforceability as to the remaining Members, nor any remaining Member’s intent to contract with any of the others.

1.4 Membership. ~~In addition to the original forming Members, any public agency as defined in Government Code Section 6500 which is located wholly or partly within the boundaries of Humboldt County or any adjacent county is eligible for membership in the RCEA. Upon approval by a simple majority vote of the full Board, any such public agency may become a Member if:~~

- ~~(a) its governing body duly approves membership and agrees to all of the terms of this Joint Powers Agreement, and~~
- ~~(b) an authorized officer of such agency executes this Agreement on its behalf.~~

ARTICLE 2 – PURPOSES AND POWERS

42.1 Purpose. The purpose of the RCEA is to develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient and renewable resources available in the region for the benefit of the Member agencies and their constituents. To further that purpose, the RCEA will work toward the following goals:

- a. To lead, coordinate and integrate regional efforts that advance secure, sustainable, clean and affordable energy resources.
- b. To develop a long-term sustainable energy strategy and implementation plan.
- c. To increase awareness of, and enhance access to, energy conservation, energy efficiency, and renewable energy opportunities available to the region.
- d. To add value to, but not duplicate, energy services offered by utilities and others serving the region in a manner that does not conflict with acting as a community choice aggregator.
- e. To keep key decision makers and stakeholders informed of policy, regulatory, and market changes that are likely to impact the region.
- f. To support research, development, demonstration, innovation, and commercialization of sustainable energy technologies by public and private entities operating in Humboldt County.
- g. To develop regional capabilities to respond to energy emergencies and short-term disruptions in energy supply, infrastructure, or markets that could adversely affect Humboldt residents and businesses.

~~**5. Membership.** In addition to the original forming Members, any public agency as defined in Government Code Section 6500 which is located wholly or partly within the boundaries of Humboldt County or any~~

~~adjacent county is eligible for membership in the RCEA. Upon approval by a simple majority vote of the full Board, any such public agency may become a Member if:~~

~~its governing body duly approves membership and agrees to all of the terms of this Joint Powers Agreement, and~~

~~an authorized officer of such agency executes this Agreement on its behalf.~~

62.2 Powers. The RCEA is authorized, in its own name, to do all acts necessary to fulfill the purposes of this Agreement including, without limitation, each of the following:

- a. receive grants, contributions and donations of property, funds, services and other forms of assistance from any public or private source;
- b. make and enter into contracts;
- c. incur debts, liabilities and obligations; provided, that no debt, liability or obligation of the RCEA is a debt, liability or obligation of any Member except as separately agreed to by such Member;
- d. acquire, hold, construct, manage, maintain, sell or otherwise dispose of real and personal property by appropriate means, excepting therefrom the acquisition of real property through the exercise of eminent domain;
- e. sue and be sued in its own name;
- f. employ agents and employees;
- g. lease real or personal property as lessee and as lessor;
- h. receive, collect, invest and disburse moneys;
- i. issue revenue bonds or other forms of indebtedness, as provided by law;
- j. adopt ordinances;
- k. adopt, implement, manage and terminate a Community Choice Aggregation program in accordance with Public Utilities Code Section 366.2, et seq ("CCA Program").
- l. submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
- i.m. make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support; services
- j.n. assign, delegate or contract with a Member or third party to administer or execute this Agreement or to perform any of the functions of the Board, as permitted by law; and
- k.o. exercise all other powers necessary and proper to carry out the provisions of this Agreement.

These powers shall be exercised subject only to the limitations set forth in this Agreement, any bylaws, applicable law (including local zoning, building, or other ordinances or regulations arising from the jurisdiction in which the RCEA is engaged in any specific activity), and any restrictions upon the manner of exercising such powers imposed by law upon the County of Humboldt in the exercise of similar powers.

ARTICLE 3 – INTERNAL GOVERNANCE

73.1 Board of Directors. There is hereby created a Board of Directors ("Board"), which shall serve as the governing body of the RCEA, and shall exercise or oversee the exercise of all powers and authority on

behalf of the RCEA as set forth herein. Each Member shall designate one person as a member of the Board ("Director") and one person as an alternate member of the Board ("Alternate Director"). The Alternate Director may serve and vote in place of the appointing Member's Director who is absent or who disqualifies him/herself from participating in a meeting of the Board. Directors and Alternates shall serve at the pleasure of the appointing Member and may be removed at any time, without cause, at the sole discretion of that Member. They shall not be compensated for their service, but may be reimbursed for expenses reasonably incurred in the performance of their Board functions, and appropriately documented. Each Director and Alternate Director may be an elected official of the governing body of the Member that he or she represents or a non-elected representative. Each Director and Alternate Director shall serve on the Board from the first meeting of the Board after appointment by the Member, until his or her successor is selected by that Member.

83.1 Procedural and Operational Rules. The Board may adopt bylaws or resolutions to govern its meetings and operations, or may separately adopt a statement of operating policies, provided that such bylaws, resolutions or statements are consistent with this Agreement.

93.2 Principal Office. The principal office of the RCEA shall be established by the Board. The Board may change the location of the principal office upon giving at least 15 days written notice to each Member.

103.3 Quorum and Voting. A majority of the Board shall constitute a quorum for the transaction of business. The Board shall act by motion, resolution or ordinance. Except as otherwise expressly provided by this Agreement or applicable law, all motions, resolutions and ordinances of the Board, and all actions required or permitted to be taken by the Members acting through the Board, shall be by a majority vote of the quorum.

113.4 Board Chair and Vice Chair.

a. The Board shall appoint a Chair and a Vice-Chair.

(1) The Chair shall be the chairperson of the Board and shall conduct all Board meetings and perform such other duties and functions required of such person by this Agreement or the Board.

(2) The Vice-Chair shall serve in the Chair's absence and perform such duties as required by this Agreement, the Board, or the Chair.

(3) Only Members of the Board are eligible to hold the positions of Chair and Vice-Chair.

(4) The term of office for the Chair and Vice-Chair shall be one year, commencing on January 1 of each year (excepting the initial year). The initial Chair and Vice-Chair shall be entitled to serve one full term of office in addition to any partial initial term.

b. If a vacancy occurs in the position of Chair or Vice-Chair, the Board shall forthwith fill the vacancy for the duration of the unexpired term.

123.5 Treasurer and Auditor. The Board shall designate qualified persons (as described in Government Code §6505.5 and §6505.6) to serve as Treasurer and as Auditor of the RCEA who need not be Members, and may designate a single qualified person to hold both offices. The Treasurer shall have charge of depositing and maintaining custody of all funds held by the RCEA, and shall maintain strict accountability for all funds and reports of all receipts and disbursements. In addition, the Treasurer and the Auditor shall perform all other duties that may be imposed by applicable law (including Government Code Sections 6505 and 6505.5), this Agreement, or any rules of the Board. The compensation, if any, of the person or persons holding these offices shall be set by the Board. Alternatively, upon consent as

needed of the governing body of any Member entity, the Board may designate the Treasurer of such Member as the depository of RCEA funds, and responsible for the discharge of all the duties set forth in Government Code section 6505.5, including the function of auditor, and the maintenance of strict accountability of RCEA funds.

143.6 Other Officers and Employees. The Board may designate such other officers, and may hire employees or independent contractors as appropriate and necessary to conduct the RCEA's affairs.

143.7 Meetings of the Board. The Board shall establish in the bylaws or by resolution the dates, times and places of its regular meetings, which shall be held not less than four times during each calendar year during the term of this Agreement. The Board's meetings shall be conducted in accordance with the Ralph M. Brown Act (Government Code Sections 54950 *et seq.*).

143.8 Committees. The Board may create an advisory committee composed of public and private stakeholders such as but not limited to residential and non-residential energy users, local governments, educational institutions, environmental organizations, and the private sector. The Board may also create an executive committee consisting of the managers of the Member entities, and may create any such other committee as it deems appropriate.

143.9 Appointment of Administering Entity. Pursuant to Government Code Section 6506, the Board may appoint an agency or entity, including one or more Members upon consent of the governing body of such Member, a commission or board constituted pursuant to this Agreement, or a person, firm or corporation, including a nonprofit corporation, which it may designate, to administer or execute this Agreement or any portions of this Agreement.

143.10 Budget. The RCEA shall operate on a fiscal year commencing July 1 of each year. The Board shall adopt by majority vote of the full Board an annual budget for each fiscal year at or before its last regular meeting before June 30 of each year. All costs incurred by the RCEA that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

ARTICLE 4 – COMMUNITY CHOICE AGGREGATION

4.1 Enabling Ordinances.

(a) RCEA. The RCEA is hereby authorized to adopt an ordinance to implement the CCA Program in accordance with Public Utilities Code Section 366.2(c)(12), or successor provision.

(b) Member Participants. Each Member choosing to participate in the CCA Program shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12)(B), or successor provision, for the purpose of specifying that the Member intends to implement a CCA Program by and through its participation in the RCEA. Each Member having duly adopted a CCA participation ordinance shall herein be referred to as a "CCA Participant".

(c) Effect. The CCA Participants intend for this Agreement to be used as a contractual mechanism by which the CCA Participants are authorized to participate in the CCA Program. The CCA Participants intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program.

4.2 Implementation Plan. The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 4.4.

4.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the RCEA to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law

4.4 Board Voting Related to the CCA Program.

(a) Eligibility to Vote. Only Directors from Participating Members shall be eligible to vote on matters specifically related to the CCA Program.

(b) Participating Member Vote. For purposes of the CCA Program, each Participating Member shall have a total vote comprised one third of a fixed Pro Rata Voting Share based on the total number of Participating Members, and two thirds of the proportional share of Electric Customers in the Participating Member's jurisdiction.

(a)(c) Computation. The Participating Member Vote shall be computed based on the following formulas:

- i. Pro Rata Voting Share. Each Director shall have an equal voting share determined by the following formula: $(1/\text{total number of Directors})$ multiplied by $1/3$; and
- ii. Customer Base Voting Share. Each Director shall have an additional voting share determined by the following formula: $(\text{Number of Electric Customers in Director's jurisdiction} / \text{Total Number of Electric Customers in CCA})$ multiplied by $2/3$, where "Electric Customers" means the total number of electricity customer accounts for all rate schedules as of December 31.
- iii. Total Vote. The total vote for each Participating Member shall be the sum of its Pro Rata Voting Share plus its Customer Base Voting Share rounded to the nearest whole number, excepting that any sum greater than zero and less than 1.0 shall be rounded to 1.0. The initial Pro Rata Voting Shares, Customer Base Voting Shares, and total votes are set forth in Exhibit A, attached hereto and incorporated herein. Beginning in 2017, the Board's Executive Director shall update Exhibit A at least every two years no later than March 1 to reflect changes in the number of Electric Customers and Participating Members, and such update shall not constitute an amendment to this Agreement. Any updated Exhibit A shall be provided to the Board at the regular meeting immediately following the update, and to the executive officers of the Participating Members within 30 days after the update.

4.5 Quorum, Approval Requirements Related to CCA Program. A majority of the Participating Members must be present and a majority of the CCA total vote must be represented by the present Participating Members to establish a quorum for the transaction of business on any matter specifically related to the CCA Program. Except as otherwise provided in this Agreement, the action of the Board for any matter specifically related to the CCA Program shall require the affirmative vote of a majority of the Participating Members present at the meeting where such vote is taken. The affirmative vote shall be established by adding the total votes of the present Participating Members as set out in Section 4.4, above.

ARTICLE 5 – MISCELLANEOUS PROVISIONS

185.1 Audit. The accounts and records of the RCEA shall be audited as provided in Government Code Sections 6505 and 6505.5.

195.2 Limitation on Liability of Members for Debts and Obligations of RCEA. As provided for by Government Code section 6508.1, the debts, liabilities, and obligations of the RCEA do not constitute debts, liabilities, or obligations of any party to this Agreement. A Member may separately contract for, or assume responsibility for, specific debts, liabilities, or obligations of the RCEA.

205.3 Indemnity. The RCEA shall indemnify, defend and hold harmless the Members, their officers and employees, from and against all liability, loss, damage, expense, and costs (including without limitation costs and fees of litigation), collectively referred to as 'injury', of every nature arising out of the RCEA activities described herein, or its failure to comply with any of its obligations contained herein, except where such injury is caused by the sole negligence or willful misconduct of a Member. Any defense of claims, as well as the cost of any judgments imposed for claims resulting from actions by the RCEA or any of the officers, agents, employees, or contractors of the RCEA in relation to this Agreement shall be the sole responsibility of the RCEA. To the extent that Members are also held jointly and severally liable for such amounts by Government Code section 895.2, if a Member provides for such defense of itself or the RCEA, or pays all or a part of such judgment, the member shall be entitled to reimbursement in full from the RCEA, provided the Member obtains prior approval from the RCEA.

245.4 Insurance. The RCEA will obtain at its expense, and maintain during the term of this Agreement, insurance against claims for injury to persons or damage to property or the environment which may arise from RCEA operations, with the scopes, coverages, deductibles and other provisions described below.

a. Minimum Scope

- (1) Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001).
- (2) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
- (3) Property insurance against all risks of loss to RCEA property, as determined by law or by the RCEA.

b. Minimum Coverage

- (1) General Liability: \$ 5,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or another form with a general aggregate limit is used, the general aggregate limit shall be twice the required occurrence limit.
- (2) Employer's Liability: \$ 1,000,000 per accident for bodily injury or disease.
- (3) Property Insurance: Full replacement cost with no coinsurance penalty provision.
- (4) Workers' Compensation: Workers' Compensation to statutory limits covering all employees, paid or unpaid.
- (5) Errors and omissions insurance to cover any and all instances of misfeasance and/or nonfeasance in the scope of duties.

c. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by the Members.

d. Other Insurance Provisions.

The general liability policy is to contain, or be endorsed to contain, the following provisions:

- (1) The Members, their officers, officials, employees, and volunteers, are to be covered as insured with respect to liability arising out of RCEA operations.
- (2) The RCEA's insurance coverage shall be primary insurance as respects the Members, their officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Members, their officers, officials, employees or volunteers shall be excess of the RCEA's insurance and shall not contribute with it.
- (3) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Members.

Workers' Compensation Insurance Endorsement:

The workers' compensation policy shall be endorsed to contain a waiver of subrogation clause which states the following: "This insurance company agrees to waive all rights of subrogation against the Members, their officers, officials, employees and volunteers for losses paid under the terms of this policy, which arise from RCEA operation by the named insured for the Members."

Acceptability of Insurers:

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

225.5 Amendments. This Agreement may be amended only by a written instrument, approved by an affirmative vote of the governing bodies of two thirds (2/3) of the Members, and meeting any requirements imposed by the terms or conditions of any revenue bonds issued by the RCEA and related documentation including, without limitation, indentures, trust agreements, resolutions and letter of credit agreements. Notwithstanding the foregoing, no amendment shall require any Member to contribute any funds to, or become directly or contingently liable for any debts, liabilities or obligations of, the RCEA, without that Member's written consent, signed by its duly authorized representative.

235.6 Withdrawal. Members may withdraw at any time by providing written notice from the governing body of such Member to the Board; provided, that no Member may withdraw if withdrawal would adversely affect a bond or other indebtedness issued by the RCEA, except upon a two-thirds (2/3) vote of the full Board. Withdrawal shall be effective upon receipt by the Board of said notice or upon said vote of the Board if required. The withdrawing Member shall continue to be financially responsible for its share of financial obligations and liabilities incurred prior to the effective date of withdrawal. Upon such withdrawal, no withdrawing Member shall be entitled to any distribution or withdrawal of property or funds except as may be agreed to by the Board; however such Member may be entitled to participate in a pro-rated return of surplus money and other surplus personal property upon the dissolution of the RCEA based on factors as determined by the Board such as but not limited to the Member's length of time of participation with and contribution to the RCEA.

245.7 Termination and Distribution.

- a. This Agreement continues until terminated by the written consent of a simple majority of the full Board; provided that:

(1) this Agreement cannot be terminated until such time as all principal of and interest on any bonds and other forms of indebtedness that the RCEA may issue are paid in full; and

(2) this Agreement and the RCEA continue to exist following termination for the purpose of disposing of all claims, distributing assets, and all other functions necessary to conclude the obligations and affairs of the RCEA.

b. After completion of the RCEA's purposes, any surplus money on deposit in any fund or account of the RCEA will be disposed of as required by law. The Board is vested with all powers of the RCEA for the purpose of concluding and dissolving its business affairs.

255.8 Nuclear Free Certification. The RCEA and its Members certify by the authorized signatures below that the RCEA is not a nuclear weapons contractor, and not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. The RCEA shall notify Humboldt County immediately if it becomes a nuclear weapons contractor, or engages in any of the activities listed above. In such event, or if it determines that the foregoing certification is false, and notwithstanding any other provision of this Agreement, the County may immediately terminate its participation and withdraw from this Agreement.

265.9 Notices. All notices which any Member or the RCEA may wish to give in connection with this Agreement shall be in writing and shall be served by personal delivery during usual business hours at the principal office of the Member or the RCEA, to an officer or person apparently in charge of that office, or by depositing the same in the United States mail, postage prepaid, and addressed to the Member or the RCEA at its principal office, or to such other address as the RCEA or Member may designate from time to time by written notice given to the other Members in the manner specified in this section. Service of notice shall be deemed complete on the day of service by personal delivery (but 24 hours after such delivery in the case of notices of special meetings of the Board) or three (3) days after mailing if deposited in the United States mail. Until changed by written notice to the RCEA and the Members, notice shall be delivered as follows:

COUNTY OF HUMBOLDT:

County Administrative Officer
825 Fifth Street
Eureka, CA 95501

CITY OF ARCATA:

Arcata City Manager
736 F Street
Arcata, CA 95521

CITY OF BLUE LAKE:

Blue Lake City Manager
111 Greenwood
Blue Lake, CA 95521

CITY OF EUREKA:

Eureka City Manager
531 K Street
Eureka, CA 95501

CITY OF FERNDALE:

Ferndale ~~Mayor~~ City Manager
P.O. Box 1095
Ferndale, CA 95536

CITY OF FORTUNA:

Fortuna City Manager
621 11th Street
Fortuna, CA 95540

CITY OF RIO DELL:

Rio Dell City Manager
675 Wildwood Avenue
Rio Dell, CA 95562

CITY OF TRINIDAD:

Trinidad ~~Mayer~~City Manager
P.O. Box 390
Trinidad, CA 95570

HUMBOLDT BAY MUNICIPAL WATER DISTRICT:

General Manager
828 7th Street
Post Office Box 95
Eureka, CA 95502

275.10 Prohibition Against Assignment. No Member may assign any right, claim, or interest it may have under this Agreement. No creditor, assignee or third party beneficiary of a Member has a right, claim or title to any part, share, interest, fund or asset of the RCEA. However, nothing in this Agreement prevents the RCEA from assigning any interest or right it may have under the Agreement to a third party.

285.11 Severability. If a portion, term, condition or provision of this Agreement is determined by a court to be illegal or in conflict with any law of the State of California, or is otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions is not affected.

295.12 Liability of RCEA. Subject to limitations contained in any trust agreement or other documents pursuant to which financing of the RCEA is implemented, RCEA funds may be used to defend, indemnify, and hold harmless the RCEA, any Member, any Director or Alternate Director, and any employee or officer of the RCEA for their actions taken within the scope of their duties while acting on behalf of the RCEA.

305.13 Arbitration. All disputes arising in connection with the interpretation or performance of this Agreement shall be resolved on an equitable basis by a single arbitrator under the commercial arbitration rules of the American Arbitration Association. The arbitrator's decision shall be final and binding on the RCEA, all Members and all former Members involved or affected by the dispute. The RCEA, any Member and any former Member that is party to the dispute may enforce any award, order or judgment of the arbitrator in any court of competent jurisdiction.

315.14 Waiver. Neither a waiver of any breach nor any failure to enforce any provision of this Agreement shall operate as a waiver of any other breach of such provision or any other provision.

325.15 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California.

335.16 Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes but one and the same instrument.

345.17 Effective Date. In accordance with the Amendment provisions of Section 22 of the initial Joint Powers Agreement (renumbered Section 5.5 herein), this Restated and Amended Joint Powers Agreement shall become effective at the time two thirds (2/3) of the Members have approved this Amended and Restated Joint Powers Agreement.

IN WITNESS WHEREOF, the Members of the Redwood Coast Energy Authority have approved this Amended and Restated Joint Powers Agreement and execute this Agreement as of the dates written below.

SIGNATURES APPEAR ON FOLLOWING PAGES
(Exhibit A follows signatures)

DRAFT PENDING FINAL DETERMINATION OF MEMBER AGENCY PARTICIPATION

**Exhibit A
Redwood Coast Energy Authority
Amended and Restated Joint Powers Agreement**

Board Voting Shares for Community Choice Aggregation Business

Jurisdiction	Electric customer accounts (Dec 2014)	Percentage of total accounts (jurisdiction's accounts divided by total accounts)	Customer Base Voting Share (67 x ratio of accounts)	Pro Rata Voting Share (33 x [1/number of Directors])	Total votes, prior to rounding	TOTAL VOTES
City of Arcata	8,203	12.41%	8.31	4.125	12.44	12
City of Blue Lake	664	1.00%	0.67	4.125	4.80	5
City of Eureka	13,965	21.13%	14.16	4.125	18.29	18
City of Ferndale	939	1.42%	0.95	4.125	5.08	5
City of Fortuna	5,584	8.45%	5.66	4.125	9.79	10
City of Rio Dell	1,508	2.28%	1.53	4.125	6.06	6
City of Trinidad	272	0.41%	0.27	4.125	4.40	4
County of Humboldt (unincorporated)	34,950	52.88%	35.44	4.125	39.57	40
Total	66,085	99.99%	66.99	33	100.03	100

- Due to rounding, totals will differ at various stages of the calculation process.
- The percentages of total accounts are rounded to two decimal places prior to calculating the Customer Base Voting Share.
- Customer Base Voting Share = 67 multiplied by the % of total accounts, rounded to two decimal places.
- Total votes are the sum of the Pro Rata Voting Share and the Customer Base Voting Share, rounded to the nearest whole number.
- The allocation of voting shares will be updated every two years, and as-needed to adjust for changes in the make-up of jurisdictions participating in the CCA.

Attachment A

AMENDED AND RESTATED JOINT POWERS AGREEMENT OF THE REDWOOD COAST ENERGY AUTHORITY

This Amended and Restated Joint Powers Agreement of the Redwood Coast Energy Authority is made and entered into pursuant to the provisions of California Government Code Section 6500 et seq., and supersedes the original Joint Powers Agreement effective April 22, 2003. This Amended and Restated Joint Powers Agreement ("Agreement") is effective as of _____, 20__.

RECITALS

A. The Redwood Coast Energy Authority ("RCEA" or "Authority") was formed in 2003 by the County of Humboldt and the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad, and the special district of the Humboldt Bay Municipal Water District (each a "Member," collectively, the "Members") to undertake a pilot project created and funded by the California Public Utilities Commission ("CPUC") and the Local Government Commission ("LGC"), a California nonprofit membership organization, designed to encourage the formation of regional organizations to promote energy efficiency, conservation and increased local self-reliance.

B. Through its activities since formation, the RCEA has established Humboldt County and its communities as leaders in reducing energy demand, increasing energy efficiency, and advancing the use of clean, efficient and renewable local resources to increase regional self-reliance.

C. The RCEA Members desire to further the RCEA goals by implementing and administering a common Community Choice Aggregation program pursuant to California Public Utilities Code Sections 331.1 and 366.2 an electric service enterprise which shall be available to those Member cities and the Counties that elect to become program participants.

NOW THEREFORE, based on the mutual covenants, conditions and terms recited herein, which are made a material part of this agreement, the undersigned public agencies, collectively referred to herein as the "Members," enter into this Amended and Restated Joint Powers Agreement and agree as follows:

AGREEMENT

ARTICLE 1 – AUTHORITY FORMATION

1.1 Formation of Humboldt County Regional Energy Alliance. Pursuant to the Act, the Members hereby create a joint powers agency to be known as the Redwood Coast Energy Authority ("RCEA").

1.2 Separate Public Entity. The RCEA is a public entity separate from the Members within the meaning of Government Code Section 6507.

1.3 Parties to this Agreement. For purposes of this Agreement, each Member intends to, and does, contract with every other Member which is a signatory to this Agreement and, in addition, with every public agency that becomes a Member under Section 4.1. The withdrawal of any Member from this Agreement does not affect its validity or enforceability as to the remaining Members, nor any remaining Member's intent to contract with any of the others.

1.4 Membership. In addition to the original forming Members, any public agency as defined in Government Code Section 6500 which is located wholly or partly within the boundaries of Humboldt County or any adjacent county is eligible for membership in the RCEA. Upon approval by a simple majority vote of the full Board, any such public agency may become a Member if:

- (a) its governing body duly approves membership and agrees to all of the terms of this Joint Powers Agreement, and
- (b) an authorized officer of such agency executes this Agreement on its behalf.

ARTICLE 2 – PURPOSES AND POWERS

2.1 Purpose. The purpose of the RCEA is to develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient and renewable resources available in the region for the benefit of the Member agencies and their constituents. To further that purpose, the RCEA will work toward the following goals:

- a. To lead, coordinate and integrate regional efforts that advance secure, sustainable, clean and affordable energy resources.
- b. To develop a long-term sustainable energy strategy and implementation plan.
- c. To increase awareness of, and enhance access to, energy conservation, energy efficiency, and renewable energy opportunities available to the region.
- d. To add value to, but not duplicate, energy services offered by utilities and others serving the region in a manner that does not conflict with acting as a community choice aggregator.
- e. To keep key decision makers and stakeholders informed of policy, regulatory, and market changes that are likely to impact the region.
- f. To support research, development, demonstration, innovation, and commercialization of sustainable energy technologies by public and private entities operating in Humboldt County.
- g. To develop regional capabilities to respond to energy emergencies and short-term disruptions in energy supply, infrastructure, or markets that could adversely affect Humboldt residents and businesses.

2.2 Powers. The RCEA is authorized, in its own name, to do all acts necessary to fulfill the purposes of this Agreement including, without limitation, each of the following:

- a. receive grants, contributions and donations of property, funds, services and other forms of assistance from any public or private source;
- b. make and enter into contracts;
- c. incur debts, liabilities and obligations; provided, that no debt, liability or obligation of the RCEA is a debt, liability or obligation of any Member except as separately agreed to by such Member;
- d. acquire, hold, construct, manage, maintain, sell or otherwise dispose of real and personal property by appropriate means, excepting therefrom the acquisition of real property through the exercise of eminent domain;
- e. sue and be sued in its own name;
- f. employ agents and employees;
- g. lease real or personal property as lessee and as lessor;

- h. receive, collect, invest and disburse moneys;
- i. issue revenue bonds or other forms of indebtedness, as provided by law;
- j. adopt ordinances;
- k. adopt, implement, manage and terminate a Community Choice Aggregation program in accordance with Public Utilities Code Section 366.2, et seq ("CCA Program"); services
- l. assign, delegate or contract with a Member or third party to administer or execute this Agreement or to perform any of the functions of the Board, as permitted by law; and
- m. exercise all other powers necessary and proper to carry out the provisions of this Agreement.

These powers shall be exercised subject only to the limitations set forth in this Agreement, any bylaws, applicable law (including local zoning, building, or other ordinances or regulations arising from the jurisdiction in which the RCEA is engaged in any specific activity), and any restrictions upon the manner of exercising such powers imposed by law upon the County of Humboldt in the exercise of similar powers.

ARTICLE 3 – INTERNAL GOVERNANCE

3.1 Board of Directors. There is hereby created a Board of Directors ("Board"), which shall serve as the governing body of the RCEA, and shall exercise or oversee the exercise of all powers and authority on behalf of the RCEA as set forth herein. Each Member shall designate one person as a member of the Board ("Director") and one person as an alternate member of the Board ("Alternate Director"). The Alternate Director may serve and vote in place of the appointing Member's Director who is absent or who disqualifies him/herself from participating in a meeting of the Board. Directors and Alternates shall serve at the pleasure of the appointing Member and may be removed at any time, without cause, at the sole discretion of that Member. They shall not be compensated for their service, but may be reimbursed for expenses reasonably incurred in the performance of their Board functions, and appropriately documented. Each Director and Alternate Director may be an elected official of the governing body of the Member that he or she represents or a non-elected representative. Each Director and Alternate Director shall serve on the Board from the first meeting of the Board after appointment by the Member, until his or her successor is selected by that Member.

3.2 Procedural and Operational Rules. The Board may adopt bylaws or resolutions to govern its meetings and operations, or may separately adopt a statement of operating policies, provided that such bylaws, resolutions or statements are consistent with this Agreement.

3.3 Principal Office. The principal office of the RCEA shall be established by the Board. The Board may change the location of the principal office upon giving at least 15 days written notice to each Member.

3.4 Quorum and Voting. A majority of the Board shall constitute a quorum for the transaction of business. The Board shall act by motion, resolution or ordinance. Except as otherwise expressly provided by this Agreement or applicable law, all motions, resolutions and ordinances of the Board, and all actions required or permitted to be taken by the Members acting through the Board, shall be by a majority vote of the quorum.

3.5 Board Chair and Vice Chair.

- a. The Board shall appoint a Chair and a Vice-Chair.

- (1) The Chair shall be the chairperson of the Board and shall conduct all Board meetings and perform such other duties and functions required of such person by this Agreement or the Board.
 - (2) The Vice-Chair shall serve in the Chair's absence and perform such duties as required by this Agreement, the Board, or the Chair.
 - (3) Only Members of the Board are eligible to hold the positions of Chair and Vice-Chair.
 - (4) The term of office for the Chair and Vice-Chair shall be one year, commencing on January 1 of each year (excepting the initial year). The initial Chair and Vice-Chair shall be entitled to serve one full term of office in addition to any partial initial term.
- b. If a vacancy occurs in the position of Chair or Vice-Chair, the Board shall forthwith fill the vacancy for the duration of the unexpired term.

3.6 Treasurer and Auditor. The Board shall designate qualified persons (as described in Government Code §6505.5 and §6505.6) to serve as Treasurer and as Auditor of the RCEA who need not be Members, and may designate a single qualified person to hold both offices. The Treasurer shall have charge of depositing and maintaining custody of all funds held by the RCEA, and shall maintain strict accountability for all funds and reports of all receipts and disbursements. In addition, the Treasurer and the Auditor shall perform all other duties that may be imposed by applicable law (including Government Code Sections 6505 and 6505.5), this Agreement, or any rules of the Board. The compensation, if any, of the person or persons holding these offices shall be set by the Board. Alternatively, upon consent as needed of the governing body of any Member entity, the Board may designate the Treasurer of such Member as the depository of RCEA funds, and responsible for the discharge of all the duties set forth in Government Code section 6505.5, including the function of auditor, and the maintenance of strict accountability of RCEA funds.

3.7 Other Officers and Employees. The Board may designate such other officers, and may hire employees or independent contractors as appropriate and necessary to conduct the RCEA's affairs.

3.8 Meetings of the Board. The Board shall establish in the bylaws or by resolution the dates, times and places of its regular meetings, which shall be held not less than four times during each calendar year during the term of this Agreement. The Board's meetings shall be conducted in accordance with the Ralph M. Brown Act (Government Code Sections 54950 *et seq.*).

3.9 Committees. The Board may create an advisory committee composed of public and private stakeholders such as but not limited to residential and non-residential energy users, local governments, educational institutions, environmental organizations, and the private sector. The Board may also create an executive committee consisting of the managers of the Member entities, and may create any such other committee as it deems appropriate.

3.10 Appointment of Administering Entity. Pursuant to Government Code Section 6506, the Board may appoint an agency or entity, including one or more Members upon consent of the governing body of such Member, a commission or board constituted pursuant to this Agreement, or a person, firm or corporation, including a nonprofit corporation, which it may designate, to administer or execute this Agreement, or any portions of this Agreement.

3.11 Budget. The RCEA shall operate on a fiscal year commencing July 1 of each year. The Board shall adopt by majority vote of the full Board an annual budget for each fiscal year at or before its last regular meeting before June 30 of each year. All costs incurred by the RCEA that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services

provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

ARTICLE 4 – COMMUNITY CHOICE AGGREGATION

4.1 Enabling Ordinances.

- (a) **RCEA.** The RCEA is hereby authorized to adopt an ordinance to implement the CCA Program in accordance with Public Utilities Code Section 366.2(c)(12), or successor provision.
- (b) **Member Participants.** Each Member choosing to participate in the CCA Program shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12)(B), or successor provision, for the purpose of specifying that the Member intends to implement a CCA Program by and through its participation in the RCEA. Each Member having duly adopted a CCA participation ordinance shall herein be referred to as a “CCA Participant”.
- (c) **Effect.** The CCA Participants intend for this Agreement to be used as a contractual mechanism by which the CCA Participants are authorized to participate in the CCA Program. The CCA Participants intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program.

4.2 Implementation Plan. The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 4.4.

4.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the RCEA to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law

4.4 Board Voting Related to the CCA Program.

- (a) **Eligibility to Vote.** Only Directors from Participating Members shall be eligible to vote on matters specifically related to the CCA Program.
- (b) **Participating Member Vote.** For purposes of the CCA Program, each Participating Member shall have a total vote comprised one third of a fixed Pro Rata Voting Share based on the total number of Participating Members, and two thirds of the proportional share of Electric Customers in the Participating Member’s jurisdiction.
- (c) **Computation.** The Participating Member Vote shall be computed based on the following formulas:
 - i. ***Pro Rata Voting Share.*** Each Director shall have an equal voting share determined by the following formula: $[(1/\text{total number of Directors}) \text{ multiplied by } 1/3]$; and

- ii. *Customer Base Voting Share.* Each Director shall have an additional voting share determined by the following formula: $(\text{[Number of Electric Customers in Director's jurisdiction / Total Number of Electric Customers in CCA] multiplied by } 2/3)$, where "Electric Customers" means the total number of electricity customer accounts for all rate schedules as of December 31.
- iii. *Total Vote.* The total vote for each Participating Member shall be the sum of its Pro Rata Voting Share plus its Customer Base Voting Share rounded to the nearest whole number, excepting that any sum greater than zero and less than 1.0 shall be rounded to 1.0. The initial Pro Rata Voting Shares, Customer Base Voting Shares, and total votes are set forth in Exhibit A, attached hereto and incorporated herein. Beginning in 2017, the Board's Executive Director shall update Exhibit A at least every two years no later than March 1 to reflect changes in the number of Electric Customers and Participating Members, and such update shall not constitute an amendment to this Agreement. Any updated Exhibit A shall be provided to the Board at the regular meeting immediately following the update, and to the executive officers of the Participating Members within 30 days after the update.

4.5 Quorum, Approval Requirements Related to CCA Program. A majority of the Participating Members must be present and a majority of the CCA total vote must be represented by the present Participating Members to establish a quorum for the transaction of business on any matter specifically related to the CCA Program. Except as otherwise provided in this Agreement, the action of the Board for any matter specifically related to the CCA Program shall require the affirmative vote of a majority of the Participating Members present at the meeting where such vote is taken. The affirmative vote shall be established by adding the total votes of the present Participating Members as set out in Section 4.4, above.

ARTICLE 5 – MISCELLANEOUS PROVISIONS

5.1 Audit. The accounts and records of the RCEA shall be audited as provided in Government Code Sections 6505 and 6505.5.

5.2 Limitation on Liability of Members for Debts and Obligations of RCEA. As provided for by Government Code section 6508.1, the debts, liabilities, and obligations of the RCEA do not constitute debts, liabilities, or obligations of any party to this Agreement. A Member may separately contract for, or assume responsibility for, specific debts, liabilities, or obligations of the RCEA.

5.3 Indemnity. The RCEA shall indemnify, defend and hold harmless the Members, their officers and employees, from and against all liability, loss, damage, expense, and costs (including without limitation costs and fees of litigation), collectively referred to as 'injury', of every nature arising out of the RCEA activities described herein, or its failure to comply with any of its obligations contained herein, except where such injury is caused by the sole negligence or willful misconduct of a Member. Any defense of claims, as well as the cost of any judgments imposed for claims resulting from actions by the RCEA or any of the officers, agents, employees, or contractors of the RCEA in relation to this Agreement shall be the sole responsibility of the RCEA. To the extent that Members are also held jointly and severally liable for such amounts by Government Code section 895.2, if a Member provides for such defense of itself or the RCEA, or pays all or a part of such judgment, the member shall be entitled to reimbursement in full from the RCEA, provided the Member obtains prior approval from the RCEA.

5.4 Insurance. The RCEA will obtain at its expense, and maintain during the term of this Agreement, insurance against claims for injury to persons or damage to property or the environment which may arise from RCEA operations, with the scopes, coverages, deductibles and other provisions described below.

a. Minimum Scope

- (1) Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001).
- (2) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
- (3) Property insurance against all risks of loss to RCEA property, as determined by law or by the RCEA.

b. Minimum Coverage

- (1) General Liability: \$ 5,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or another form with a general aggregate limit is used, the general aggregate limit shall be twice the required occurrence limit.
- (2) Employer's Liability: \$ 1,000,000 per accident for bodily injury or disease.
- (3) Property Insurance: Full replacement cost with no coinsurance penalty provision.
- (4) Workers' Compensation: Workers' Compensation to statutory limits covering all employees, paid or unpaid.
- (5) Errors and omissions insurance to cover any and all instances of misfeasance and/or nonfeasance in the scope of duties.

c. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by the Members.

d. Other Insurance Provisions.

The general liability policy is to contain, or be endorsed to contain, the following provisions:

- (1) The Members, their officers, officials, employees, and volunteers, are to be covered as insured with respect to liability arising out of RCEA operations.
- (2) The RCEA's insurance coverage shall be primary insurance as respects the Members, their officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Members, their officers, officials, employees or volunteers shall be excess of the RCEA's insurance and shall not contribute with it.
- (3) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Members.

Workers' Compensation Insurance Endorsement:

The workers' compensation policy shall be endorsed to contain a waiver of subrogation clause which states the following: "This insurance company agrees to waive all rights of subrogation against the Members, their officers, officials, employees and volunteers for losses paid under the terms of this policy, which arise from RCEA operation by the named insured for the Members."

Acceptability of Insurers:

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

5.5 Amendments. This Agreement may be amended only by a written instrument, approved by an affirmative vote of the governing bodies of two thirds (2/3) of the Members, and meeting any requirements imposed by the terms or conditions of any revenue bonds issued by the RCEA and related documentation including, without limitation, indentures, trust agreements, resolutions and letter of credit agreements. Notwithstanding the foregoing, no amendment shall require any Member to contribute any funds to, or become directly or contingently liable for any debts, liabilities or obligations of, the RCEA, without that Member's written consent, signed by its duly authorized representative.

5.6 Withdrawal. Members may withdraw at any time by providing written notice from the governing body of such Member to the Board; provided, that no Member may withdraw if withdrawal would adversely affect a bond or other indebtedness issued by the RCEA, except upon a two-thirds (2/3) vote of the full Board. Withdrawal shall be effective upon receipt by the Board of said notice or upon said vote of the Board if required. The withdrawing Member shall continue to be financially responsible for its share of financial obligations and liabilities incurred prior to the effective date of withdrawal. Upon such withdrawal, no withdrawing Member shall be entitled to any distribution or withdrawal of property or funds except as may be agreed to by the Board; however such Member may be entitled to participate in a pro-rated return of surplus money and other surplus personal property upon the dissolution of the RCEA based on factors as determined by the Board such as but not limited to the Member's length of time of participation with and contribution to the RCEA.

5.7 Termination and Distribution.

- a. This Agreement continues until terminated by the written consent of a simple majority of the full Board; provided that:
 - (1) this Agreement cannot be terminated until such time as all principal of and interest on any bonds and other forms of indebtedness that the RCEA may issue are paid in full; and
 - (2) this Agreement and the RCEA continue to exist following termination for the purpose of disposing of all claims, distributing assets, and all other functions necessary to conclude the obligations and affairs of the RCEA.
- b. After completion of the RCEA's purposes, any surplus money on deposit in any fund or account of the RCEA will be disposed of as required by law. The Board is vested with all powers of the RCEA for the purpose of concluding and dissolving its business affairs.

5.8 Nuclear Free Certification. The RCEA and its Members certify by the authorized signatures below that the RCEA is not a nuclear weapons contractor, and not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. The RCEA shall notify Humboldt County immediately if it becomes a nuclear weapons contractor, or engages in any of the activities listed above. In such event, or if it determines that the foregoing certification is false, and notwithstanding any other provision of this Agreement, the County may immediately terminate its participation and withdraw from this Agreement.

5.9 Notices. All notices which any Member or the RCEA may wish to give in connection with this Agreement shall be in writing and shall be served by personal delivery during usual business hours at the principal office of the Member or the RCEA, to an officer or person apparently in charge of that office, or

by depositing the same in the United States mail, postage prepaid, and addressed to the Member or the RCEA at its principal office, or to such other address as the RCEA or Member may designate from time to time by written notice given to the other Members in the manner specified in this section. Service of notice shall be deemed complete on the day of service by personal delivery (but 24 hours after such delivery in the case of notices of special meetings of the Board) or three (3) days after mailing if deposited in the United States mail. Until changed by written notice to the RCEA and the Members, notice shall be delivered as follows:

COUNTY OF HUMBOLDT:	County Administrative Officer 825 Fifth Street Eureka, CA 95501
CITY OF ARCATA:	Arcata City Manager 736 F Street Arcata, CA 95521
CITY OF BLUE LAKE:	Blue Lake City Manager 111 Greenwood Blue Lake, CA 95521
CITY OF EUREKA:	Eureka City Manager 531 K Street Eureka, CA 95501
CITY OF FERNDALE:	Ferndale City Manager P.O. Box 1095 Ferndale, CA 95536
CITY OF FORTUNA:	Fortuna City Manager 621 11th Street Fortuna, CA 95540
CITY OF RIO DELL:	Rio Dell City Manager 675 Wildwood Avenue Rio Dell, CA 95562
CITY OF TRINIDAD:	Trinidad City Manager P.O. Box 390 Trinidad, CA 95570
HUMBOLDT BAY MUNICIPAL WATER DISTRICT:	General Manager 828 7 th Street Post Office Box 95 Eureka, CA 95502

5.10 Prohibition Against Assignment. No Member may assign any right, claim, or interest it may have under this Agreement. No creditor, assignee or third party beneficiary of a Member has a right, claim or title to any part, share, interest, fund or asset of the RCEA. However, nothing in this Agreement prevents the RCEA from assigning any interest or right it may have under the Agreement to a third party.

5.11 Severability. If a portion, term, condition or provision of this Agreement is determined by a court to be illegal or in conflict with any law of the State of California, or is otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions is not affected.

5.12 Liability of RCEA. Subject to limitations contained in any trust agreement or other documents pursuant to which financing of the RCEA is implemented, RCEA funds may be used to defend, indemnify, and hold harmless the RCEA, any Member, any Director or Alternate Director, and any employee or officer of the RCEA for their actions taken within the scope of their duties while acting on behalf of the RCEA.

5.13 Arbitration. All disputes arising in connection with the interpretation or performance of this Agreement shall be resolved on an equitable basis by a single arbitrator under the commercial arbitration rules of the American Arbitration Association. The arbitrator's decision shall be final and binding on the RCEA, all Members and all former Members involved or affected by the dispute. The RCEA, any Member and any former Member that is party to the dispute may enforce any award, order or judgment of the arbitrator in any court of competent jurisdiction.

5.14 Waiver. Neither a waiver of any breach nor any failure to enforce any provision of this Agreement shall operate as a waiver of any other breach of such provision or any other provision.

5.15 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California.

5.16 Counterparts. This Agreement may be executed in several counterparts, each of which is an original and all of which constitutes but one and the same instrument.

5.17 Effective Date. In accordance with the Amendment provisions of Section 22 of the initial Joint Powers Agreement (renumbered Section 5.5 herein), this Restated and Amended Joint Powers Agreement shall become effective at the time two thirds (2/3) of the Members have approved this Amended and Restated Joint Powers Agreement.

IN WITNESS WHEREOF, the Members of the Redwood Coast Energy Authority have approved this Amended and Restated Joint Powers Agreement and execute this Agreement as of the dates written below.

SIGNATURES APPEAR ON FOLLOWING PAGES
(Exhibit A follows signatures)

COUNTY OF HUMBOLDT

By: _____
_____, Chair of the Board

Dated: _____

Approved as to form:

By: _____
Jeffery S. Blanck, Humboldt County Counsel

CITY OF ARCATA

By: _____
_____, Mayor

Dated: _____

Approved as to form:

By: _____
Nancy Diamond, City Attorney

CITY OF BLUE LAKE

By: _____
_____, Mayor

Dated: _____

Approved as to form:

By: _____
Nancy Diamond, City Attorney

CITY OF EUREKA

By: _____
_____, Mayor

Dated: _____

Approved as to form:

By: _____
Cyndy Day-Wilson, City Attorney

CITY OF FERNDALE

By: _____
_____, Mayor

Dated: _____

Approved as to form:

By: _____

Russell S. Gans, City Attorney

CITY OF FORTUNA

By: _____
_____, Mayor

Dated: _____

Approved as to form:

By: _____
David Tranberg, City Attorney

CITY OF RIO DELL

By: _____
_____, Mayor

Dated: _____

Approved as to form:

By: _____
Russell S. Gans, City Attorney

CITY OF TRINIDAD

By: _____
_____, Mayor

Dated: _____

Approved as to form:

By: _____
Andrew Stunich, City Attorney

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

By: _____
_____, President

Dated: _____

Approved as to form:

By: _____
Paul A. Brisso, General Counsel

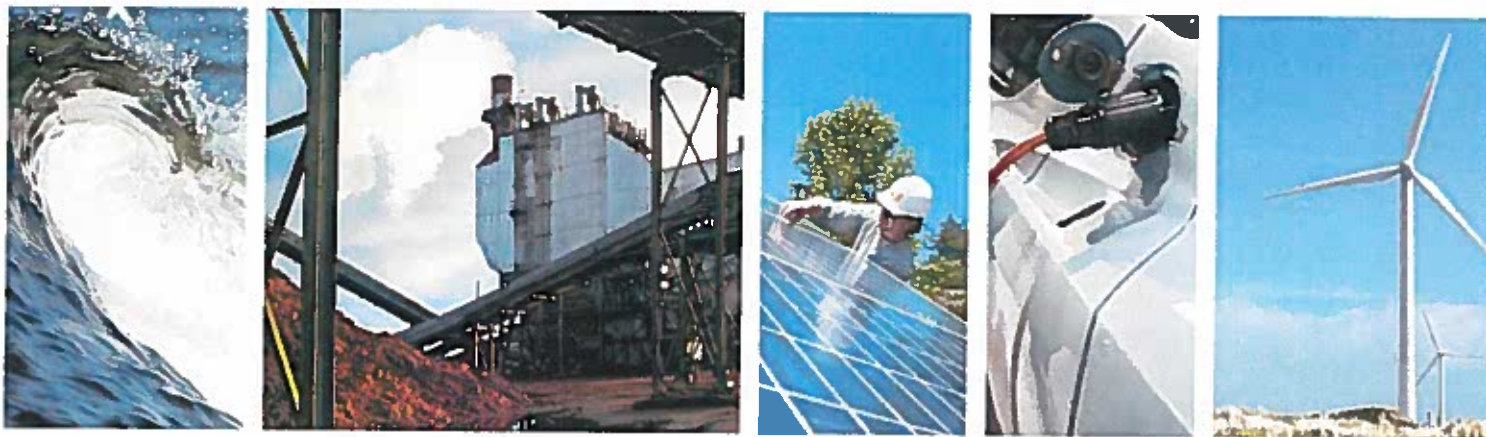
DRAFT PENDING FINAL DETERMINATION OF MEMBER AGENCY PARTICIPATION

**Exhibit A
Redwood Coast Energy Authority
Amended and Restated Joint Powers Agreement**

Board Voting Shares for Community Choice Aggregation Business

Jurisdiction	Electric customer accounts (Dec 2014)	Percentage of total accounts (jurisdiction's accounts divided by total accounts)	Customer Base Voting Share (67 x ratio of accounts)	Pro Rata Voting Share (33 x [1/number of Directors])	Total votes, prior to rounding	TOTAL VOTES
City of Arcata	8,203	12.41%	8.31	4.125	12.44	12
City of Blue Lake	664	1.00%	0.67	4.125	4.80	5
City of Eureka	13,965	21.13%	14.16	4.125	18.29	18
City of Ferndale	939	1.42%	0.95	4.125	5.08	5
City of Fortuna	5,584	8.45%	5.66	4.125	9.79	10
City of Rio Dell	1,508	2.28%	1.53	4.125	6.06	6
City of Trinidad	272	0.41%	0.27	4.125	4.40	4
County of Humboldt (unincorporated)	34,950	52.88%	35.44	4.125	39.57	40
Total	66,085	99.99%	66.99	33	100.03	100

- Due to rounding, totals will differ at various stages of the calculation process.
- The percentages of total accounts are rounded to two decimal places prior to calculating the Customer Base Voting Share.
- Customer Base Voting Share = 67 multiplied by the % of total accounts, rounded to two decimal places.
- Total votes are the sum of the Pro Rata Voting Share and the Customer Base Voting Share, rounded to the nearest whole number.
- The allocation of voting shares will be updated every two years, and as-needed to adjust for changes in the make-up of jurisdictions participating in the CCA.



HUMBOLDT COUNTY Community Choice Energy ROADMAP



Introduction BACKGROUND

The Redwood Coast Energy Authority (RCEA) is a local government joint powers agency of the County of Humboldt, the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, Trinidad and the Humboldt Bay Municipal Water District. Formed in 2003, RCEA's mission is to develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient and renewable resources available in the region. RCEA offers a range of energy related services to Humboldt County local governments, businesses, and residents in the community.

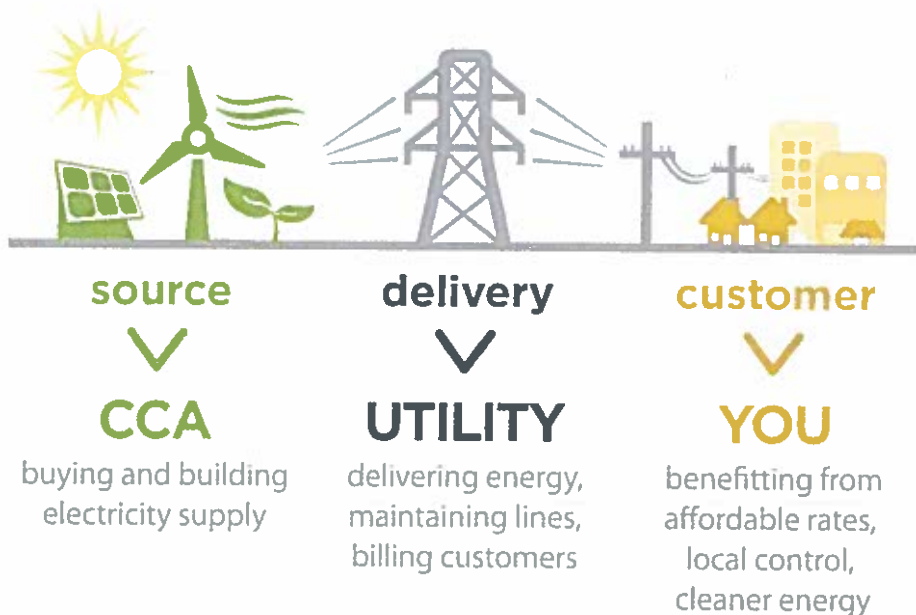
In 2012 RCEA adopted the Humboldt County Comprehensive Action Plan for Energy (CAPE), which is RCEA primary guiding document. Expanding on the strategies outlined in the CAPE, RCEA initiated RePower Humboldt, a community-wide effort to define a vision and Strategic Plan for achieving energy independence and energy security in Humboldt County. With the support of the Humboldt State University Schatz Energy Research Center, the CA Energy Commission, and many community stakeholders, this effort culminated in the development of the RePower Humboldt Strategic Plan to establish a vision for the year 2030 and guide the integration of renewable energy in Humboldt County, develop local energy infrastructure, and set energy-related goals.

RCEA has identified community choice aggregation as potentially a critical mechanism to enable the implementation of the RePower Humboldt Strategic Plan and to realize the RePower Humboldt 2030 vision and the associated community benefits of that vision. To that end, RCEA's board has directed staff to move forward with pursuing the implementation of a local community choice program.

WHAT IS A COMMUNITY CHOICE PROGRAM?

Community choice aggregation (CCA), also known as community choice energy, is a provision of California law that allows cities, counties or joint powers agencies to purchase electricity and other necessary electrical services on behalf of the customers in their territories. CCAs differ from municipal utility districts in that CCAs only provide the generation component of electricity services, which accounts for around half of a customer's electricity bill. The investor-owned utility (IOU), in our case Pacific Gas & Electric (PG&E), continues to own the electricity distribution infrastructure and to provide electricity transmission, distribution, billing, and related customer services. However, CCAs are able to determine their own energy supply mixes and rate structures.

How Local Energy Aggregation Works



While CCA is relatively new in California, with three programs currently providing service to customers, there are over 1,000 CCAs operating across the country in Illinois, Ohio, New Jersey, Rhode Island, and Massachusetts.

WHY IS IT WORTH DOING?

Local Control: A CCA program allows Humboldt County to pursue our own priorities, such as local generation and programs to support economic development, and provides local control of rate-setting. Unlike IOUs, local governments are accountable to their citizens through locally elected officials whose tenures depend on serving the public good and supporting the interests of their communities. When compared with an IOU, the decision making process of a local authority will be more transparent and accessible to the public, and can better reflect the interests and desires of the community. Conversely, IOUs are required to serve the interests of their investors and are subject to the regulatory constraints imposed by the CA Public Utilities Commission (CPUC).

Rates: A key motivating factor for the 1,000+ CCAs in operation has been the opportunity to reduce rates for electricity customers; like municipal utilities, CCAs have been able to provide rates sometime as much as 20-30% lower than investor-owned utilities. The established California CCAs have focused on prioritizing environmental performance, but have still managed to achieve rates 2-7% below PG&E while providing significantly higher percentages of renewable energy.

Choice: When a City or County chooses to offer a CCA program to its community, each individual household and business still has the option to opt out of the program and continue to have their generation services provided by PG&E. State law requires that customers receive multiple notices of CCA program launch to ensure they are aware of the option to opt out, and customers can also opt out after the launch anytime in the future. While no customer is forced to participate, opt-out rates are typically very low (under 10% in Sonoma County), which is not surprising when customers' utility costs are lowered by participating in the CCA.

Priorities

RCEA will implement the Humboldt County CCA program guided by three core priorities established by the RCEA Board of Directors and aligned with the RePower Humboldt Strategic Plan: maximizing the use of local renewable resource, providing competitive rates, and supporting local economic development.

COMPETITIVE RATES

A key factor in success will be our CCA's ability to achieve rate competitiveness with PG&E while pursuing other CCA program goals. To minimize customer opt-outs, the CCA must provide overall rates that are competitive with or lower than those offered by PG&E for similar power supply products.

Maintaining relative rate parity while also providing a high share of local renewable energy will be challenging. Natural gas prices are currently very low, reducing the cost of non-renewable energy. In the long run, factors such as renewable technology costs, expiration of federal renewable tax credits, natural gas prices, and greenhouse gas compliance costs will influence the ability to maintain rate parity. While these factors cannot be predicted with great confidence, one possible future benefit for a CCA would be a potentially significant financial advantage to the extent that it invests in its own generation resources, particularly if and when renewable tax credits for private developers expire. Prior to launch RCEA is exploring a variety of supply portfolios using different cost assumptions for the above factors to determine the likelihood of maintaining rate parity while offering a larger share of renewable energy.

LOCAL RENEWABLE ENERGY

The CCA program will pursue an energy portfolio that prioritizes the use of local renewable resources, including existing facilities, to the maximum extent technically and economically feasible.

The State has aggressive goals for renewable energy, implemented through the State's Renewable Portfolio Standard (RPS) which sets targets for quantities and types of renewable energy that electricity providers must supply to their customers. These targets are 25% renewable energy by 2016, 33% by 2020, and 50% by 2030. The CCA program will strive to use local renewable resources to exceed these targets.

Existing local renewable energy generation facilities that the CCA could potentially pursue contracts with are listed in the table below along with generation information as reported by the California Energy Commission.

Facility	Nameplate Capacity (MW)	2013 net output (MWh)
Eel River Biomass Plant	32.5	134,929
Fairhaven Biomass Plant	18	115,522
Blue Lake Biomass Plant	13.8	74,450
Ruth Lake Hydroelectric Plant	2	4,228
Total	66.3	329,129

Average community-wide energy consumption in Humboldt County is around 850,000 MWh per year. So, assuming 10% customer opt-out, these existing facilities could potentially supply around 40% of the CCA's energy demand. However, the power from local facilities is not low-cost, and so a key first step in the procurement planning process will be a detailed and thorough evaluation to determine to what extent the CCA's portfolio can incorporate local renewables and still maintain competitive rates.

The CCA will also offer customer programs that offer residents and businesses options to more directly engage in the development and use of local renewable energy:

100% renewable, opt-in choice: Customers will be offered a 100% renewable energy option at a price premium, based on the costs of a 100% renewable supply.

Net energy metering tariff: Net energy metering allows customers to make their meter “spin backward” and offset their electrical usage by installing a generating system (e.g. rooftop solar).

Feed-in-tariff program: A Feed-In Tariff is a renewable energy purchasing program which sets simple and straightforward rules and pricing for purchasing surplus electricity from small-scale renewable electricity projects within the CCA's service territory.

ECONOMIC DEVELOPMENT

The CCA will strive to create quantifiable economic benefits in the region through job retention and creation and the investment of any surplus funds to develop local renewable energy projects and community energy programs that benefit customers.

The CCA will promote regional energy conservation through custom programs targeted at local customers and implementing demand management best practices. The CCA will also explore the development of energy rates and incentives that can support community business retention and expansion.

Of immediate and significant relevance to the local economy is the critical role of local biomass power plants in the forest-products sector. Biomass from sustainably managed forests is a renewable resource that can be used to generate base-load electricity, reducing the need for electricity on California's grid produced from fossil resources. In addition, biomass use in electricity generation contributes to lowering greenhouse emissions by disposing of wood residuals (sawdust, wood chips) generated from milling logs into lumber in a controlled combustion environment eliminating methane, particulate matter and other harmful emissions associated with alternative fates such as open pile burning or landfills.

Further, markets for woody materials generated from wildfire risk reduction treatments created by biomass power generation increase the likelihood that fire on the landscape can fulfill its ecological role in California's forests by allowing land managers to conduct fire risk reduction treatments on larger areas.

Two of our three local biomass plants are currently idle due to the wholesale purchase prices offered by utilities being too low for our plants to viability operate. This is the result of both the currently-low price of

natural gas as well as the rapidly-decreasing cost of other renewable technologies like solar. While the low cost of other renewable resources available to utilities is an excellent development overall, the local impact of our biomass power plants shutting down has a significant negative impact on the entire forest products industry in the County in the form of increased costs of sawmill residue removal and increasing levels of logging residues left in the woods to pile burn or be burned in the next wildfire.

Yana Valachovic, University of California Cooperative Extension Forest Advisor and Humboldt - Del Norte County Director, describes the current situation this way: "Without a market to purchase sawmill residue or residue from fuel reduction or forest health activities, sawmills are scrambling, investors are looking elsewhere, and many forest stewardship activities have been stopped. This creates a significant economic and ecological crisis in this region."

The availability of local biomass facilities to utilize wood waste is the Achilles' heel of our forest-products sector, with possibly hundreds of local living-wage jobs currently threatened by the uncertain fate of our local power plants. The local control of power purchasing decisions provided by the CCA program will provide a key opportunity to potentially solve this problem. Unfortunately this urgent issue has already reached a critical point in 2014, providing an impetus for swift action to establish the CCA, determine the feasibility and parameters of incorporating biomass energy into the CCA's portfolio, and proceed with contracting if that is deemed viable.

OTHER KEY PRINCIPLES

In addition to the core priorities above, the CCA will be implemented with the following guiding principles:

Operational Excellence: The CCA will operate as a well-managed organization based on a financially sustainable and flexible business model. This will include a commitment to robust planning and risk management strategies, conservative fiscal management, and the development of a reserve fund.

Environmental Performance: In addition to the percentage of renewable energy delivered, the CCA program will pursue an energy portfolio that also reduces greenhouse gas emissions and other pollution while minimizing the use of unbundled renewable energy credits (RECs), as well as minimizing environmental and community impacts overall.

Accountability and Transparency: As a local government program the CCA will be accountable to citizens through locally elected officials who will serve the public good and supporting the interests of their communities. Customer will have access to democratically elected or appointed representatives and CCA governance decisions will be made in local, public meetings in a transparent way and will strive to reflect the best interests of the community.

Launch & Operations

The launch and operations of the CCA program can be categorized into three primary categories of activities: governance, community outreach and engagement, and operations.

GOVERNANCE

Joint Power Agreement: Established in 2003, RCEA's joint powers agreement (JPA) provides an existing foundation to move forward with a community-wide CCA program for Humboldt County. The RCEA Board has established its interest in becoming a community choice aggregator and implementing a local CCA program on behalf of those member Cities and the County that choose to become CCA participants. In order to become a community choice aggregator the RCEA JPA required revision. Pursuant to the current JPA, amendments are permissible if in writing and approved by at least 2/3 of the RECA member agencies.

In September 2014 RCEA's Board approved CCA-enabling revisions to the JPA; the nature of these changes include:

1. Any RCEA member City or the County may elect to participate in the CCA program by adopting an ordinance indicating its election to participate (staff intends to prepare a template ordinance for member agency use).
2. As specified in the current JPA, the RCEA's debt, liabilities and obligations do not become debts, liabilities or obligations of the member agencies.
3. A partially weighted voting structure based on each participating member's proportion of total electricity customers.
4. RCEA member agencies that are not CCA program participants would continue to vote on all RCEA matters except those pertaining to the CCA program. Only member agencies that become CCA program participants will vote on CCA program matters.

The RCEA Board chose to adopt a 2/3 vote weighting systems to provide more representative decision making while still ensuring that a diversity of community perspectives are included. Weighting based on the share of electricity customers was selected to capture representation of both residential and commercial CCA customers, while not tying the weighting to higher consumption as other CCA have done. It should be noted that there is not currently a substantive difference regardless of whether the weighting was based on population, electricity customers, or total energy load as shown in the following table.

Jurisdiction	Population	% of pop.	% of electric. customers (selected for weighting)	% of energy load
Unincorp. County	71,925	53.4%	52.9%	58.2%
Eureka	26,925	20.0%	21.1%	21.2%
Arcata	17,730	13.2%	12.4%	10.6%
Fortuna	11,888	8.8%	8.5%	6.0%
Rio Dell	3,377	2.5%	2.3%	1.7%
Ferndale	1,364	1.0%	1.4%	0.9%
Blue Lake	1,243	0.9%	1.0%	0.6%
Trinidad	357	0.3%	0.4%	0.7%

The amended and reinstated JPA is currently in the review and approval process with RCEA's Members.

CCA Ordinance: Established by State law, the process for becoming a CCA requires that each local government governing body adopt an ordinance proclaiming their decision to participate in the CCA through RCEA, after which RCEA must then file an Implementation Plan with the CPUC. RCEA is preparing an ordinance template for Member governments that chose to participate in the CCA.

It should be reiterated that a jurisdiction choosing to be a part of the CCA is making the option of participation available to that community, but individual customers can choose initially or at a later time whether or not they want to participate.

Implementation Plan: The CPUC, which ultimately has to approve the program, requires that the CCA submit an implementation plan that covers all aspects of the set-up and operation. The plan will include the following:

- Process and consequences of aggregation
- Organizational structure of the program, its operations and funding
- Rate setting and other costs to participants
- Disclosure and due process in setting rates and allocating costs among participants
- Methods for entering and terminating agreements with other entities
- Participant rights and responsibilities
- Termination of the program
- Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities

The Implementation Plan must also include a statement of intent indicating that the program must provide universal access, reliability and equitable treatment of all classes of customers, and to meet any other requirements established by state law or by the CPUC (Section 366.2 of the Public Utilities Code specifies that to form a CCA, there must be a local ordinance approved by the entity proposing the CCA, followed by the

preparation of an implementation plan, which must contain specific elements outlined in the statute). After the implementation plan is approved, the CCA registers with the CPUC and provides an executed copy of the services agreement between the CCA and the utility that covers the services to be provided by the utility (eg: billing).

Funded by the CA Energy Commission, the Local Government Commission developed the template for CCA implementation plans, along with a CCA implementation guidebook, available at:

http://www.energy.ca.gov/pier/project_reports/CEC-500-2008-091.html

COMMUNITY OUTREACH & ENGAGEMENT

Media and Information Distribution: There are numerous complexities related to electricity service and how CCAs operate that are unfamiliar to the majority of citizens. To ensure that the community becomes aware of the local CCA efforts and the ramifications of CCA implementation, RCEA has begun conducting general education and outreach efforts through print, online, social media, radio, television, and through RCEA's resource center in Old Town Eureka.

Workshops: In addition to broad outreach efforts, RCEA is scheduling a series of town-hall open-house workshops around the County to provide the community numerous in-person opportunities to learn about what a CCA program is, why we are doing it, and how it works.

Rate Comparison: Developed and jointly produced with PG&E, a rate comparison provides a typical bill for various customer classes under the CCA's rates alongside the current PG&E rates. This provides a clear picture of the rate impact for customers based on the power option they choose; an example rate comparison from Sonoma Clean Power is available at:

https://sonomacleanpower.org/wp-content/uploads/2015/11/2015-09-01-SCP_Joint-Rate-Comparison.pdf

Opt-Out Notices: An important step in CCA launch is providing all customers with multiple opt-out notices. The CCA must fully inform all customers of their right to opt out of the CCA program and to continue receiving service as a bundled customer from the IOU. All customers must be notified twice within 60 days prior to the date of automatic enrollment. In addition, notification must continue for participating customers for at least two consecutive billing cycles after enrollment. Customer notification must contain the following information:

- Those customers will be automatically enrolled.
- That each customer has the right to opt out of the program without penalty.
- The terms and conditions of CCA service.

The Table below outlines at a high-level the anticipated roles and duties of the RCEA Board, RCEA staff, and the third-party contractor(s). RCEA anticipated a heavy reliance on contracted companies in the initial 5 years, with the potential to shift certain operational activities to RCEA staff if deemed viable and cost-effective.

Function	Start-Up	Near-Term (2 to 5 Years)	Long-Term
Program Governance	Authority Board	Authority Board	Authority Board
Program Management	Authority staff (Third Party support)	Authority staff	Authority staff
Outreach	Authority staff	Authority staff	Authority staff
Customer Service	Authority staff (Third Party support)	Authority staff (Third Party support)	Authority staff (Third Party support)
Key Account Management	Authority staff	Authority staff	Authority staff
Regulatory	Third Party (Authority staff support)	Authority staff (Third Party support)	Authority staff
Legal	Authority staff (third Party support)	Authority staff (Third Party support)	Authority staff
Finance	Third Party (Authority staff support)	Authority staff (Third Party support)	Authority staff
Rates: Approve	Authority Board	Authority Board	Authority Board
Rates: Develop	Third Party (Authority staff support)	Authority staff (third Party support)	Authority staff
Resource Planning	Third Party (Authority staff support)	Third Party (Authority staff support)	Third Party (potentially Authority staff)
Energy Efficiency	Authority staff	Authority staff	Authority staff
Resource Development	Authority staff (Third Party support)	Authority staff (Third Party support)	Authority staff (Third Party support)
Portfolio Operations	Third Party	Third Party (Authority staff support)	Third Party (Authority staff support)
Scheduling Coordinator	Third Party	Third Party	Third Party
Data Management	Third Party	Third Party	Third Party



633 3rd Street, Eureka, CA 95501
P: 707.269.1700 F: 707.269.1777
info@redwoodenergy.org
www.RedwoodEnergy.org